

## List of contents

Section	PDF	Page
Aboriginal and Torres Strait Islander People	4	71
About Commerce	1	3
Accounts payable performance	6	185
Annual report preparation	6	185
Audit and compliance	3	48
Australian Centre for Advanced Computing and Communications (ac3)	6	185
Commerce offices	6	241
Committees and boards	6	187
Consultants	6	193
Consumer response	6	194
<b>Corporate governance</b>	3	45
<b>Corporate performance</b> (and performance indicators)	2	5
• Office of Fair Trading	2	5
• Office of Industrial Relations	2	12
• Government Chief Information Office	2	16
• Office of NSW Procurement (incl StateFleet)	2	19
• Office of Public Works and Services	2	26
• Strategic Communications and Government Advertising	2	36
• Improved internal performance	2	38
• Financial highlights	2	44
Credit card certification	6	196
Director-General's message	1	1
Disability action plans (People with a disability)	4	70
Electronic service delivery	6	197
Employment relations policies and practice	4	66
Employment statistics	4	65
Energy and environment	2	42
Employment equity (Equal Employment Opportunity)	4	69
Equity and diversity	4	69
Ethics and probity	3	50
Ethnic Affairs Priority Statement	4	73
Executive	4	57

<b>Financial statements</b>	<b>5</b>	
• Department of Commerce	5	79
• NSW Government Telecommunications Authority (Telco)	5	127
• Australian Centre for Advanced Computing and Communications (ac3)	5	149
Freedom of Information - Statement of Affairs	3	52
Freedom of Information statistical information	6	203
Funds granted to non-government community organisations	6	211
Government and Related Employees Appeals Tribunal	6	217
Heritage asset management strategy	6	218
Implementation of price determination	6	219
Inclusion of other annual reports	6	219
Land disposal	6	223
Legislation administered	6	223
Legislative changes	6	225
NSW Government Telecommunications Authority	6	229
Occupational health, safety and injury management	4	76
Organisation chart	4	55
Organisational change	4	56
Other supported entities	6	230
Overseas travel	6	231
<b>People and organisation</b>	<b>4</b>	<b>55</b>
Performance management	3	45
Privacy management	3	53
Publications	6	232
Research and development	6	234
Risk management	3	46
Senior executive service remuneration	4	59
Significant judicial decisions	6	238
State Contracts Control Board	6	238
Transport Appeals Board	6	217
Waste management and reduction	2	41
Women	4	70

30 October 2008

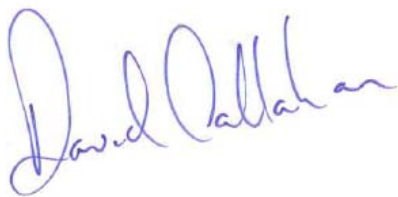
The Hon Carmel Tebbutt MP  
Deputy Premier  
Minister for Climate Change and the Environment  
Minister for Commerce  
Level 30  
Governor Macquarie Tower  
1 Farrer Place  
SYDNEY NSW 2000

Dear Minister

I am pleased to submit the Annual Report for the NSW Department of Commerce for the year ended 30 June 2008 for presentation to Parliament.

The report has been prepared in accordance with the *Annual Reports (Departments) Act 1985*, the *Public Finance and Audit Act 1983* and the regulations under those Acts.

Yours sincerely



**David Callahan**  
**Acting Director-General**

## Director-General's message

The Department of Commerce continues to support, connect and deliver value to its primary client – the New South Wales Government. The financial year 2007/08 was no different.

The Office of Public Works and Services delivered approximately 3,000 public infrastructure projects across New South Wales worth almost \$1 billion. Key projects included:

- the co-ordination of facilities at Randwick to support World Youth Day, including extensive turf protection at Royal Randwick Racecourse
- the completion of the Attorney General's office building and the trial courts building as part of the Parramatta Justice Precinct, completed five months ahead of schedule
- the Prospect Raw Water Pumping Station, the largest submersible water supply pumping station in Australia, delivered ahead of time and within budget.

The Facilities Management unit administered 20 cleaning contracts and two facilities management contracts, and assisted the Department of Education and Training to manage 19 asset maintenance contracts valued at \$124 million. These contracts create employment opportunities for some 1,594 sub contractors and employment opportunities for 3,944 people.

NSW Water Solutions was competitively selected to design Tillegra Dam, a new 450,000 megalitre project in the Hunter Valley. This project is part of the Government's commitment to drought proof the Hunter and Central Coast Regions.

The Government Architect's Office undertook a commission to help the Architects Registration Board become carbon neutral and to provide a template for small consultancy practices wanting to reduce their carbon footprint.

The financial year also saw NSW Procurement deliver \$330 million in savings to the NSW Government by achieving greater economies of scale. In all, expenditure through State Contracts Control Board contracts was \$3.64 billion in 2007/08.

NSW eTendering, which provides a complete electronic tendering process for all government organisations, grew by 178 per cent on the last year. The use of *smartbuy*® also increased significantly with more than 67,000 purchase orders valued at \$359 million placed through the system. This was up from 44,000 orders valued at \$224 million in 2006/07.

In November 2007 three separate shared service businesses were integrated to form ServiceFirst, the largest shared services group in the NSW public sector. ServiceFirst looks after the corporate shared services, finance, human resources, IT and business support for over 80 clients in the New South Wales public sector. With over 550 staff, ServiceFirst brings together an enormous wealth of experience and knowledge in shared services to support its clients.

The Office of Fair Trading implemented regulatory changes that brought significant improvements for the community and business in the areas of consumer credit, consumer claims, motor dealers, retirement villages, strata schemes and home building.

Fair Trading continued to respond to a vast number of requests from business and the community for service – there were almost seven million in 2007/08. These were handled through phone, counter and electronic channels. More than 34,000 disputes between consumers and traders were handled and over 39,000 compliance related activities were carried out.

The Office of Industrial Relations continued to improve its services to employers and employees in New South Wales. The Office's innovative workplace compliance campaigns are proving to be an effective and efficient way to assist large numbers of employers and employees to understand their employment rights and responsibilities.

The Office also provided critical assistance to eminent constitutional expert Professor George Williams, who reported to the New South Wales Government on models for a cooperative national industrial relations system. Discussions with the Commonwealth about the emerging national system have been a major focus of the Office in 2008.

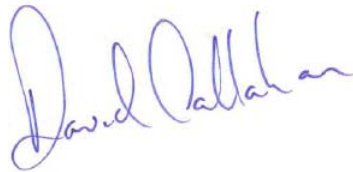
The Chief Information Officer Executive Council took a new approach in February 2008 to better implement the Government ICT Strategy People First, by establishing agreed areas of priority.

Operating as a management board supporting People First initiatives, the Council is a working partnership - thinking, deciding and operating as a single voice representing NSW Government agencies.

The Council has already delivered savings and modernised the way government works by taking a coordinated approach to ICT investment, planning and expenditure with a priority given to frontline services during 2007/08.

As strong as our performance was in 2007/08, the current financial year is likely to prove the most challenging in Commerce's five-year history. The need to improve outcomes for the NSW economy, coupled with the global economic outlook will make Commerce's role even more important in driving whole-of-government savings and improved government efficiencies.

I want to take this opportunity to thank all Commerce's employees for their efforts and their commitment to improving outcomes for the New South Wales community.



**David Callahan**  
**Acting Director-General**

## About Commerce

### Who we are

The NSW Department of Commerce (Commerce) is a service provider and regulator, dedicated to delivering better services to our customers and the New South Wales community.

### What we do

Commerce provides commercial services to government agencies to help them maximise value, minimise cost and manage risks in the services they provide to the community.

The Office of Public Works and Services helps develop and maintain public infrastructure by assisting government agencies to plan, design and deliver building and engineering projects.

Its services include managing projects and programs, resolving disputes and finding sustainable solutions to the problems of capturing, treating and distributing water. It is also called on to help government mitigate the consequences of natural disasters and possible terrorism.

NSW Procurement is a centre of expertise in goods and services procurement for the Government and provides tools, advice and professional services to enable agencies to plan and undertake successful procurement and manage supply chains.

Commerce improves access to government services for customers and suppliers by minimising red tape and supporting different methods of delivering services, including electronic means. The Government Chief Information Office also plays a leadership role in developing and driving whole of government initiatives for the use and management of information and communications technology within government, industry and the community.

Office of Fair Trading services safeguard consumer rights and advise traders on fair, ethical practice. It administers legislation, which sets ground rules for interactions between consumers and traders throughout New South Wales, in areas including consumer goods and services, residential accommodation, home building, cooperatives and associations. Fair Trading informs the community of rights and obligations, we mediate consumer complaints and enforce compliance through licensing, inspections, investigation, prosecution, civil proceedings and other disciplinary action.

The Office of Industrial Relations ensures that workplace legislation and the regulatory framework meet the requirements of today's commercial environment. Workplace standards are communicated through targeted programs, workplace information and advisory services. Where standards are not being applied, effective enforcement services through fair workplace regulation and industrial policy ensure that the rights of workers and employers are protected.

### Our goals

Commerce has five major goals:

- Maximise value for government agencies in delivering services to clients, customers and the community
- Simplify processes for dealing with government
- Promote a fair marketplace for consumers and traders
- Promote fair and productive workplaces
- Contribute to a credible, efficient and effective organisation.

<p>Goal 1</p> <p>Maximise value for government agencies in delivering services to clients, customers and the community</p>	<p>We achieve this goal by:</p> <ul style="list-style-type: none"> <li>• helping to plan, design and deliver public infrastructure, including information and communications technology</li> <li>• being a centre of excellence in procurement and providing government with support to undertake successful procurement and manage supply chains</li> <li>• helping to mitigate the consequences of natural disasters and possible terrorism</li> <li>• providing office and corporate services to government.</li> </ul>
<p>Goal 2</p> <p>Simplify processes for dealing with government</p>	<p>We achieve this goal by:</p> <ul style="list-style-type: none"> <li>• developing, using and promoting best practice methods and tools to help government successfully procure goods and services and public infrastructure, and manage supply chains</li> <li>• developing appropriate Fair Trading and Industrial Relations regulations and services.</li> </ul>
<p>Goal 3</p> <p>Promote a fair marketplace for consumers and traders</p>	<p>We achieve this goal by:</p> <ul style="list-style-type: none"> <li>• setting ground rules for interactions between consumers and traders in NSW</li> <li>• informing the community of rights, obligations and good practice</li> <li>• mediating consumer complaints and enforcing compliance through investigation, prosecution, civil proceedings and other disciplinary action.</li> </ul>
<p>Goal 4</p> <p>Promote fair and productive workplaces</p>	<p>We achieve this goal by:</p> <ul style="list-style-type: none"> <li>• setting a best practice framework for interactions between employers and employees in many NSW workplaces</li> <li>• informing employers and employees of rights, obligations and good practice</li> <li>• enforcing compliance through investigation, prosecution and other disciplinary action.</li> </ul>
<p>Goal 5</p> <p>Contribute to a credible efficient and effective organisation</p>	<p>We achieve this goal by:</p> <ul style="list-style-type: none"> <li>• establishing a framework for how we operate internally to achieve our goals</li> <li>• setting priorities for shared corporate services across Commerce to ensure they support the activities of our business units.</li> </ul>

---

NSW Department of Commerce Annual Report 2007/08

**Corporate Performance**





## Office of Fair Trading

*Commerce Goal 2 – Simplify processes for dealing with government*

*Commerce Goal 3 – Promote a fair marketplace for consumers and traders*

Regulatory changes brought significant improvements for the community in the areas of:

- Motor dealers – reduced red tape by reducing the number of forms and making them easier to use
- Consumer claims – general jurisdiction claim limit increased to \$30,000
- Consumer credit – improved protection for disadvantaged consumers from excessive fees and interest charged by short term lenders
- Retirement villages – changes to resident input into management, capital maintenance and budgets, and disclosure of information
- Home building – ongoing review, introduction of three year licences and the removal of duplicate licensing requirements for demolition work
- Strata schemes – improved rights for owners corporations and individual lot owners

The Office of Fair Trading responded to almost seven million requests for service from the community in 2007/08, handled through phone, counter and electronic channels. More than 34,830 disputes between consumers and traders were handled, with over 87 per cent of these successfully negotiated at an informal level. Over 39,000 compliance related activities – ranging from inspections through to more complex action in the Supreme Court – were carried out to ensure fairness in the marketplace. A comprehensive review process continued to ensure the State's 42 fair trading laws remain relevant, reflecting the Government's objectives and the needs of the community and other stakeholders. Over 960 community information sessions were presented to more than 29,900 people around the State.

### Commerce objectives

- Fair Trading legislation simplifies service provision for consumers and traders
- Fair marketplace regulation with minimal red tape

### Corporate performance

Result	Result indicator	03/04	04/05	05/06	06/07	07/08	08/09 target	Comment
<b>Fair Trading legislation simplifies service provision for consumers and traders</b>	% of customers who agree services are simple and uncomplicated	-	-	-	87%	82%	≤85%*	Until at least 3 years data is available it is not technically feasible to set a firmer target.
<b>Fair marketplace regulation with minimal red tape</b>	% traders who believe they are unduly burdened by fair trading laws	-	-	-	34%	29%	≤35%*	A low result is a good result for this indicator. It's encouraging the majority of traders don't believe they are unduly burdened by fair trading laws.

Service Group	Performance Measure	03/04	04/05	05/06	06/07	07/08	Target	Comment
Policy development and regulatory review	% Office of Fair Trading regulatory proposals that meet Better Regulation Office requirements without further amendment	-	-	-	n/a	n/a	60%	Unable to measure during 2007/08. Better Regulation Office requirements commenced 1 July 2008. The target is purely speculative.

\* Note: the target has been rounded to the nearest five per cent but is speculative until at least three year's data allows trend analysis to set a firmer target

## Residential tenancy

A strategic review of residential tenancies legislation has been carried out. On 22 September 2007, a report called Residential Tenancy Law Reform - A New Direction was released. This report explained over 100 proposed changes to the law and enabled people to provide feedback on them. Some 1,500 responses from individuals and groups, including tenants, landlords and real estate agents, were received in the form of letters, online survey responses, and comments via an online blog. In addition, 915 people attended face-to-face sessions conducted in regional and metropolitan areas. As a result of the feedback gathered through consultation, Fair Trading is better able to understand community preferences and the diverse views of stakeholders. All submissions were assessed and analysed and a reform package is being developed for introduction to Parliament.

## National Finance Brokers legislation

A further important milestone in this project was achieved this year with the public release of an exposure Bill in November 2007. The Bill outlines a comprehensive scheme for regulating the finance broking industry, including licensing and mandatory membership of an external dispute resolution scheme. The Bill also proposes regulating transactions between the brokers and consumers to ensure consumers are offered only appropriate credit products that they can afford. New South Wales drafted the Bill in consultation with all States and Territories as well as the Commonwealth and more than 100 submissions were received. Work is continuing on this project following the review of submissions in order to refine the proposed national framework. In July 2008, the Council of Australian Governments agreed that the regulation of mortgage broking will be transferred to the Commonwealth.

## Responsible lending practices

Fair Trading made significant gains in advancing the responsible lending practices project. The Commonwealth Office of Best Practice Regulation has agreed that the Consultation Regulatory Impact Statement developed by New South Wales on behalf of the Ministerial Council on Consumer Affairs meets the standard of analysis required. The consultation document will be forwarded to the Ministerial Council for approval prior to public release. It notes rising consumer credit card debt even as spending slows, and draws attention to both the personal and social damage that can occur as a result of unmanageable debt. A number of options are being considered, ranging from education to regulation. Industry will be asked to provide financial information to assist in developing the most cost-effective option. During this year, the Council of Australian Governments agreed to transfer state responsibilities for credit to the Commonwealth in order to reduce costs to business and to acknowledge the essentially national nature of the provision of credit, as well as to enable a more timely response to market development. Work will continue on this project until such time as the transfer of responsibilities is completed.

## Personal property security national system

The Commonwealth, in consultation with the States, Territories and external stakeholders, is developing a legislative and architectural framework to implement a single national electronic register on which interests in all personal property can be registered and regulated. This is a priority project for the Council of Australian Governments, and will eventually see the functions of the NSW Register of Encumbered Vehicles and similar securities registers transferred to the Commonwealth by around 2010. An intergovernmental agreement between the Commonwealth and other jurisdictions was endorsed in-principle in March 2008 and will underpin the legislative referral of power to enact the Personal Property Security Bill. Legislative policy is being developed through the joint Standing Committee of Attorneys General with which Fair Trading is working closely. In addition, Fair Trading officers from NSW and Victoria represent the Ministerial Council on Consumer Affairs on the Personal Property Security Stakeholder Consultative Group established by the Commonwealth Attorney General. The Commonwealth released its draft Personal Property Security Bill for public consultation in May 2008.

## Productivity Commission Report on Australia's consumer policy framework

The findings of the Productivity Commission inquiry into Australia's consumer policy framework and its administration this year was publicly released in May 2008. The Commonwealth, State and Territory governments share responsibility for consumer policy in Australia, with the main legislative provisions contained in the *Trade Practices Act 1974* and the Fair Trading Acts in each State and Territory. The Commission found that, while the consumer policy framework has considerable strengths, parts of it require an overhaul. This includes a need for institutional arrangements that are more compatible with the increasingly national nature of consumer markets. The Commission recommended the first step should be the introduction of a single Australia-wide generic consumer law, jointly enforced by the Australian Competition and Consumer Commission and State and Territory fair trading agencies. This proposal was endorsed by the Ministerial Council on Consumer Affairs at its meeting in May 2008.

## Review of Australia's consumer product safety system

The Ministerial Council on Consumer Affairs is considering reform options to improve the effectiveness and consistency of product safety regimes in Australian jurisdictions. Product safety is one of the regulatory 'hot spots' identified by the Council of Australian Governments as being in need of cross-jurisdictional reform to reduce the regulatory burden on business. During 2007, consensus was reached among the States and Territories in favour of a harmonised model, which included the creation of a new independent, national advisory committee. NSW Cabinet gave in-principle approval to this model in November 2007. In 2008, the new Commonwealth Minister for Competition Policy and Consumer Affairs proposed a single law/multiple regulators model. On 23 May 2008, the Ministerial Council on Consumer Affairs gave in-principle agreement to this model, in which the Commonwealth will assume responsibility for the making of permanent product bans and standards under the Trade Practices Act. The States and Territories will retain their power to issue interim product bans and the Australian Competition and Consumer Commission and the State and Territory fair trading agencies will share responsibility for enforcement of the product safety law.

## ABN Business Names Project

Fair Trading participated in a project initiated by the Council of Australian Governments and overseen by the Small Business Ministerial Council to develop a seamless, single online registration system for both Australian Business Numbers and business names, which will also include trademark searching. In March 2008, the Council of Australian Governments asked the Council to accelerate the project. A business case was considered, consisting of a single national business licence information service, a combined online Australian Business Number and business name registration process and an ongoing client account that stores information about registrations and licences, pre-fills forms, stores records of transactions and allows subscriptions for information on regulatory change from all levels of

government. In-principle agreement to these elements of the business case was given by the Small Business Ministerial Council in May 2008.

## National cooperatives law

Fair Trading is the lead agency for a national project to establish uniform laws for cooperatives across Australia. On behalf of the Ministerial Council on Consumer Affairs, Fair Trading is developing template cooperatives legislation in consultation with other States and Territories. The aim is to have the same law apply in all participating jurisdictions, improve consistency with the Commonwealth Corporations Act 2001, update corporate governance requirements, simplify requirements for cooperatives operating across borders, and introduce new options for cooperatives to raise capital. It is anticipated that New South Wales will enact the legislation, which will serve as a template for other jurisdictions.

## Home building

Stemming from the home building licensing review conducted in 2005, the NSW Government announced that it intended to rewrite the Home Building Act 1989 to make it easier to understand. Particular attention will be paid to clarifying the objectives of the Act, clarifying the structure of the Act and Regulation, placing relevant provisions together and removing inconsistencies. Consideration is also being given to incorporating other recommendations from the review into this project. Initial consultation meetings were held with key stakeholders in late 2007 and early 2008. There will be further consultation following the preparation of an exposure draft Bill.

## Property, stock and business agents

Fair Trading undertook a statutory review of the Property, Stock and Business Agents Act 2002, which commenced on 1 September 2003. The Act replaced legislation originally introduced in 1941 and provides for the licensing and certification of people who carry out the work of real estate agents, stock and station agents, strata managers, business agents and on-site property managers. The new Act brought in major changes, including the introduction of bidder registration at auctions and greater requirements for agents to disclose conflicts of interest. The recent review was necessary to determine whether the policy objectives of the Act remain valid and whether the terms of the Act remain appropriate for securing those objectives. A report on the review is due to be tabled in Parliament in the second half of 2008.

## Associations

The *Associations Incorporation Act 1984* allows small, not for profit organisations to become incorporated without the complex regulatory requirements of other forms of incorporation. The Act was reviewed to ensure that it is meeting its objectives as effectively and efficiently as possible. Several recommendations were made for legislative amendment as a result of this review. In March 2008, the exposure draft Associations Incorporation Bill 2008 was released to provide interested parties an opportunity to comment on the proposed amendments. The ideas and comments are now under close consideration and are being used to assist the development of the draft Bill. It is anticipated that an amended draft Bill will go before Parliament in the second half of 2008.

## Funeral directors information standards

The *Fair Trading Act 1987* was amended in June 2007 to allow for an information standard for funeral directors. The draft Fair Trading Amendment (Funeral Goods and Services) Regulation 2008 was released for public consultation in April 2008. Under the proposals, funeral directors will be required to itemise costs of products and services to make it easier for consumers to compare services and prices when arranging a funeral. An industry and consumer awareness campaign will be conducted as part of the implementation of the information standard, which is expected to come into effect in late 2008.

## Other reviews

Throughout the year Fair Trading also conducted reviews in the areas of community land management, holiday parks, information on public registers, and cooperative housing and Starr-Bowkett Societies.

### Commerce objective

- Community able to access information and services

#### Corporate performance

Result	Result indicator	03/04	04/05	05/06	06/07	07/08	Target	Comment
Community able to access information and services	% of public who know where to go to get help	73%	73%	70%	66%	63%	65-70%	Close to target. Fair Trading is working on a communication strategy to increase awareness.

Service Group	Performance Measure	03/04	04/04	05/06	06/07	07/08	Target	Comment
Information for consumers and traders	Customer satisfaction meets or exceeds the benchmark	89%	87%	90%	90%	85%	≥90%	Below target. This will be kept under review in the current reporting period.
	Community take-up rate: average number of services requested per 1000 people in NSW	509	557	653	734	797	Est.700	Estimate exceeded
	% accuracy of information provided	99%	83%	93%	89%	90%	≥95%	The target was increased in 07/08 from 90% to 95%
	% complaints finalised within 30 days	95%	90%	95%	96%	96%	≥80%	Target exceeded
	% complaints resolved to satisfaction of both parties	67%	74%	81%	85%	87%	≥70%	Target exceeded
	% of telephone enquiries answered where published standards met	80%	81%	79%	83%	90%	≥85%	Target exceeded
Business licensing and	% of licensing and	100%	100%	100%	100%	100%	100%	Target met

Service Group	Performance Measure	03/04	04/04	05/06	06/07	07/08	Target	Comment
registration services	registration services where published standards are met							
Rental bonds custody	% of bond refunds where published standards met	100%	100%	100%	100%	100%	100%	Target met
Tribunal services	% of Consumer Trader and Tenancy Tribunal matters finalised prior to or at first hearing	78%	77%	77%	78%	77%	75%	Target met

## Fair Trading Information Centre

The Fair Trading Information Centre (FTIC) is one of Fair Trading's main front line services, dealing with approximately one million customer telephone enquiries each year and providing a single, convenient point of access to the Office of Fair Trading. The FTIC handles enquiries across a range of services and provides great flexibility that allows us to respond swiftly to issues arising in the marketplace. In 2007/08, the FTIC facilitated a number of hotlines at short notice to assist the public of New South Wales with particular issues. In February 2008, the FTIC managed the 'Hail Storm Hotline', which was established to take calls from distressed homeowners affected by storm damage, as well as from tradespeople willing to assist with property repairs. It also managed calls and recorded relevant information relating to the Bindeez poison toy ban and recall, and the Beechwood homes collapse.

## Information programs

During 2007/08, Fair Trading delivered 966 information sessions, talks and seminars attended by 29,986 people throughout the State. These covered a range of topics for real estate and property agents, self-managing landlords, tenants, licensed builders, members of incorporated associations, senior citizens, youth and high school students, business people and consumers, including culturally and linguistically diverse and indigenous communities.

## Fair Trading Week

Each November Fair Trading runs a special week-long promotion to focus attention on topical consumer issues and to engage the community through a mix of promotional, educational and media events across the State. The theme for Fair Trading Week 2007 was "Did you get what you paid for?" During the week a range of consumer and trader issues were promoted, with a strong emphasis on shopping, warranties, refunds and repairs. Around 85 separate events were held across NSW to raise awareness of these issues. A full program of events was listed on Fair Trading's website. During Fair Trading Week 5,000 fridge magnets with attached shopping list pads that carried a consumer message were distributed. Staff volunteered to distribute the material to letter-boxes in their own suburbs. Fair Trading Centres across the State held open days and other activities during Fair Trading Week, providing consumers and businesses with the opportunity to meet local staff and receive information. Fair Trading delivered a variety of information sessions and seminars, including "Savvy Seniors", "Scam Smart", "REVVED UP", "Money Stuff!" and business seminars.

## Fraud Fortnight

Fair Trading is part of a taskforce comprising 19 Commonwealth, State and New Zealand regulatory agencies with consumer protection responsibilities relating to fraud and scams. The taskforce ran a national consumer campaign from 24 February to 8 March 2008 called "Fraud Fortnight". The campaign raised awareness about deceptive and seductive scams and the SCAMwatch website through government, media, and private sector and community partners. The campaign was the most coordinated and extensive to date and included a national advertising campaign, distribution of a range of promotional material and an online scams survey.

## Your Home, Your Car, Your Money

The audio CD *Your home, your car, your money* is consumer information for those with a print disability. The CD was launched in April 2008 during Seniors Week. Audio tracks from the CD can be downloaded and listened to from audio links on Fair Trading's website. A radio campaign to promote the CD was run in May 2008 on Radio 2RPH (Radio for the Print Handicapped of NSW), and Fair Trading received a highly commended award for the CD in Vision Australia's 'Making A Difference Awards' in 2008.

## Beechwood Homes

When the Beechwood Homes group of companies collapsed in May 2008, Fair Trading took immediate action to identify and contact consumers who had signed contracts with Beechwood to advise them of their rights. Approximately 360 consumers had construction contracts and over 500 others had paid for pre-contract work to be carried out.

### Commerce objective

- Compliance with fair trading laws

#### Corporate performance

Result	Result indicator	03/04	04/05	05/06	06/07	07/08	Target	Comment
<b>Compliance with fair trading laws</b>	% of consumers confident in fair operation of marketplace	70%	71%	69%	73%	79%	68-74%	Above target

Service Group	Performance Measure	03/04	04/05	05/06	06/07	07/08	Target	Comment
<b>Compliance</b>	% inspections where compliance evident	96%	96%	97%	98%	98%	≥90%	Above target
	Proportion of prosecutions successful	91%	94%	86%	95%	92%	≥90%	Above target

## Inspection programs

The first line of defence in fair trading compliance is a state-wide inspection program. During the year, Fair Trading inspectors carried out more than 28,000 inspections throughout New South Wales. These focused on real estate agents, builders and other tradespeople, travel agents, motor dealers and



repairers, auto dismantlers, second-hand dealers, pawnbrokers, product safety. Inspectors also checked the weight of packaged items at supermarkets and other retail outlets, and the measurement of liquor dispensing units and glassware at licensed premises and petrol, gas and LPG fuel pumps. The larger programs involved 2,492 general product and electrical appliance safety inspections, 1,446 building industry inspections and 6,719 trade measurement inspections. In the home building area, operations "Hard-hat", "Wedge", "AirCon", "Phoenix" and "Owner Builder" involved targeted visits to over 2,000 sites and interviews with 1,971 traders. Resulting fines for a range of offences totalled more than \$903,000.

## Enforcement action

Offences against fair trading legislation are detected through inspections, intelligence gathering and as a consequence of formal complaint investigations. During the year, more than 641 defendants were issued with penalty notices in relation to 948 offences - resulting in financial penalties of more than \$796,800. Formal prosecutions, where 92 per cent of cases were successful, resulted in \$1.26 million in fines and penalties involving 107 defendants.

## Children's toys

Lead in toys is a serious concern at both state and national levels. In NSW a permanent ban on the sale of toys containing lead has been in force since January 2008. This permanent ban will remain until the Commonwealth completes a review and introduces a suitable mandatory safety standard. Leading distributors of children's toys worldwide recalled a number of toys over the past year as they contained higher than acceptable lead levels. In September 2007, an interim ban was imposed on the supply of children's toys that have accessible materials with a lead migration level greater than 90 mg/kg. Since the interim ban, Fair Trading has been actively monitoring the market and has independently tested 50 toys in accordance with the testing procedures specified in the Australian/New Zealand Standards.

Four Australian children were affected and hospitalised after ingesting Bindeez beads. Tests found that they contained 1,4-Butanediol, which metabolises in the body into a type of liquid ecstasy. Fair Trading imposed an interim ban on Bindeez products on 6 November 2007, followed by a full national recall. The product was withdrawn internationally, with safety regulators in the United Kingdom, United States and New Zealand pursuing recalls. On 18 December 2007, a permanent ban became effective on the supply of toys that include Bindeez Beads containing 1,4-Butanediol.

## Office of Industrial Relations

*Commerce Goal 4: Fair and productive workplaces*

### Developing a new national industrial system

Throughout 2007/08, the major focus of the Office of Industrial Relations (the OIR) was to advise the NSW Government on the development of a national industrial relations system.

The commencement of the Work Choices legislation in March 2006 had brought extensive change to the coverage of the New South Wales industrial relations system, and adjustments to the OIR's activities and policies continued to be made during the reporting year. The reporting year saw the issue of industrial relations rise to prominence in a vigorously contested political environment. The possibility of a change of government at the federal election on 24 November 2007 brought with it the possibility of a new relationship between the State and the Commonwealth on this issue and it became crucial to plan for such an eventuality.

In August 2007, the New South Wales Government established an inquiry into options for a new national industrial relations system. The inquiry was headed by eminent constitutional expert Professor George Williams, the Anthony Mason Professor and Director of the Gilbert and Tobin Centre of Public Law at the University of New South Wales. In November, Professor Williams delivered a report advising the New South Wales Government on how a fair and harmonised national industrial

relations system that appropriately balances the interests of employees and employers could be put in place, in partnership between the Commonwealth and New South Wales.

The OIR played an important role in supporting the work of Professor Williams, providing research and policy input as well as secretariat services.

Since the change of government at the federal level, there have been extensive discussions between the Commonwealth and the States and Territories about the creation of a new national industrial relations system. The Workplace Relations Ministers Council (WRMC) meeting on 1 February 2008 endorsed the creation of a high level officers group to undertake these discussions. The OIR has provided officers to participate in the four formal meetings of this group that took place during the reporting year, as well as providing support for the two WRMC meetings that took place during that time.

## Inspecting NSW workplaces

The OIR undertakes the largest targeted workplace compliance program of its type in Australia. In 2007/08, its program increased by 13 per cent in order to match the New South Wales Government's commitment for 50,000 workplace inspections over a four-year period.

Five hundred targeted workplace campaigns focused on non-compliance hot spots in the retail, hospitality and related industries. In excess of 13,000 workplaces investigations were undertaken, covering approximately 45,000 workers. Inspectors identified 10,730 breaches of industrial relations legislation committed by 3,150 employers, including over 1,800 employers underpaying workers.

Compliance campaigns are proving to be an effective and efficient way to assist large numbers of employers and employees to understand their employment rights and responsibilities. The compliance program also returned approximately \$4 million of back-pay to workers.

## Assisting small businesses and regional employers

During 2007/08, the OIR delivered a comprehensive range of seminars for small businesses, comprised of 153 workshops (67 in the Sydney metropolitan area and 86 in regional New South Wales) on workplace issues and legislative changes. These were attended by 2,168 employers. An additional 28 presentations were delivered on request to business enterprise centres, community organisations and employers, covering topics ranging from industrial relations in New South Wales, specific award workshops and employee management training. Over 750 participants took part in these presentations.

## Building community relationships

The OIR continued to assist people from culturally and linguistically diverse communities to better understand their rights in the workplace through improved access to the agency's resources and services. In addition to participating in 20 community and business events, 220 presentations were delivered to over 5,400 attendees providing information on workplace rights and responsibilities, together with presentations on specific New South Wales awards to TAFE students. Strong partnerships with youth, education and community organisations continued to be maintained this year.

The OIR's quarterly electronic newsletter *Work Smart* was distributed to 700 community organisations offering information on workplace rights and the role and services of OIR.

The OIR's Aboriginal and Torres Strait Islander Workplace Services Unit continued to deliver workplace information and advice to Aboriginal and Torres Strait Islander employees, contractors, employers and community organisations.

## Online and telephone advice to employers and employees

Activity on the OIR's website remains high with 2.79 million visitors to the site during 2007/08. Nearly 50,000 people used *Check Your Pay*, an online application that allows users to calculate wages and entitlements.

The Young People at Work website ([www.youngpeopleatwork.nsw.gov.au](http://www.youngpeopleatwork.nsw.gov.au)) continues to provide practical support to young people looking for their first job. The website offers information to reflect the work cycle – looking for work, getting a job and leaving the job, as well as information about assistance available from the OIR, particularly in relation to the child employment laws. The website attracted over 66,000 visitors during the year.

*Pay Rate Updates*, the free OIR email update service that notifies subscribers of changes to NSW private sector awards, also showed significant growth. Subscribers to Pay Rate Updates increased by ten per cent over this year to nearly 99,000 users.

To ensure that employers are able to display relevant awards in their workplace, the OIR continued to provide the full text of major New South Wales private sector awards for free download through its website. During 2007/08, 237,000 awards were downloaded.

OIR launched two new online services to further assist New South Wales employers and employees.

*News Feeds* (often called RSS feeds) allows subscribers to see when websites have added new content without having to visit the website each time. The OIR added the News Feeds facility to 130 state awards, providing automatic updates of new award information.

The OIR's *My IR rules* ABN look-up tool assists employers and employees to determine whether they are covered by the state or federal industrial relations system. The tool searches a supplied business name or ABN number and provides information on the scheme that should apply to the searched entity.

During the year, the OIR's information service received 177,000 telephone calls from employers and employees seeking about information on pay rates and employment conditions. A further 5,000 email enquiries were handled by the service during the year.

## 2007/08 Performance indicators

### Corporate performance

Service Group	Indicator/Measure	06/07 Actual	07/08 Target	07/08 Actual	Comments	08/09 Target
Fair Marketplace regulation with minimal red tape	% employers and employees confident in fair operation of NSW Industrial Relations system	76 %	70 %	76%	Achieved	70 %
	100% Compliance with Regulatory Impact Statements, Competition Policy Principles, and frameworks required by Better Regulation Office	100 %	100 %	n/a	No proposals during the reference period	100 %
Accessible information and help for employers and employees	Office of Industrial Relations client satisfaction meets or exceeds benchmark	90%	85 %	97 %	Achieved	85 %
	% of employers who know where to get help for the services offered	33 %	30 %	54 %	Achieved	30 %
	% of employees who know where to	27 %	27 %	27 %	Achieved	25 %

Service Group	Indicator/Measure	06/07 Actual	07/08 Target	07/08 Actual	Comments	08/09 Target
	get help for the services offered					
<b>Compliance with regulations</b>	% of non-compliant employers who comply or are prosecuted within six months after being notified they don't comply	87 %	85 %	87 %	Achieved	85 %
<b>Best practise employment advice</b>	Complaint resolution rate	66%	60 %	69 %	Achieved	60 %
	% of employers satisfied with Office of Industrial Relations advisory services	95%	95 %	96 %	Achieved	95 %
<b>Policy Development, Regulatory Review and Industrial Liaison</b>	% policy advice and analysis developed to Director General's satisfaction	98%	95 %	99 %	Achieved	95 %
	% of briefings made available to Government on relevant IR issues.	96%	95 %	95 %	Achieved	95 %
<b>Employer/Employee Workplace Information and Advisory Services (including electronic services)</b>	% client assessment that OIR public information provided is accurate	90 %	80 %	88 %	Achieved	80 %
	% of enquiries and complaints satisfactorily resolved within targeted timeframes.	92 %	85 %	89 %	Achieved	85 %
	% of enquiries accessing OIR through online systems.	93 %	90 %	95 %	Achieved	90 %
<b>Inspection and Investigation, Compliance and Enforcement (including prosecution)</b>	% of workplaces complying with NSW industrial relations laws.	62 %	60 %	60 %	Achieved	60%
	% of employers investigated who are subject to NSW industrial relations laws.	86 %	85 %	81 %	Not achieved due to Work Choices laws	85 %

## Government Chief Information Office

*Commerce Goal 1 – Maximise value for government agencies in delivering services to clients, customers and community*

*Commerce Goal 2 – Simplify processes for dealing with government*

The Government Chief Information Office (GCIO) plays a key role in ensuring that the Government's information and communications technology strategies and associated programs meet the needs of the people of New South Wales.

The activities of the NSW Government CIO (Chief Information Officers) Executive Council (CIOEC) further strengthened GCIO's role.

## NSW Government CIO Executive Council

The CIOEC is a working partnership between GCIO and New South Wales government agencies. It was established by the New South Wales Government CIO to advance the implementation of *People First* - the NSW Government ICT Strategic Plan.

Together with officers from GCIO and cross-government working groups, the CIOEC initiated and planned the ICT projects that are *People First*.

### *CIOEC members 2007/08*

- Government Chief Information Office
- Department of Commerce
- Businesslink
- Department of Health
- Department of Education and Training
- Railcorp
- Roads and Traffic Authority
- NSW Police
- NSW Fire Brigades
- Attorney General's Department
- Department of Housing
- Department of Lands
- Office of State Revenue
- Department of Corrective Services
- Department of Ageing, Disability & Home Care
- Department of Community Services
- Department of Environment and Climate Change
- NSW Treasury
- Department of Premier and Cabinet

## *People First* - NSW Government ICT Strategic Plan

*People First* established the framework for a coordinated government-wide approach to ICT planning, expenditure and allocation of resources that will deliver significantly through savings, costs avoided and associated benefits by 2010.

The strategy was simplified into eight programs covering radio networks, broadband telecommunications, data centre rationalisation, human resources and finance system rationalisation, collaborative information strategy, desktop environment, better front line services to the public and a licensing service used by many agencies.

### Better government access

A new single toll-free NSW Government telephone number for contacting government was created, and will be made available to the public on 1 July 2008.

### Government broadband service

The NSW Government broadband service provided cost-effective and high capacity broadband services to around 1,300 government offices in 24 NSW regional centres.

The service improved Government online service delivery in the following areas:

- provision of specialist teaching to small or remote schools
- access to expert medical advice from regional hospitals
- video-conferencing of court and other proceedings
- agencies use of shared applications greatly increased their efficiency.

### Wireless broadband project

In 2006/07, the NSW Government undertook an extensive Expression of Interest process to gauge private sector interest in providing a free wireless broadband network in several New South Wales CBDs.

As a result of the expression of interest the market made it clear that it did not believe the delivery of free wireless broadband was practical for the Government for technical and financial reasons. The Government decided not to proceed with this project at this time. The process was concluded on 1 May 2008.

### Government radio network

The NSW Fire Brigades, the State Emergency Services, the Rural Fire Service, the Ambulance Service of NSW and 36 other agencies rely on the Government radio network (GRN) for their radio dispatching. The GRN covers approximately one third of New South Wales. The network is extremely resilient and consistently maintains a yearly availability of over 99 per cent.

A four-year long-term radio strategy program to digitise the network is nearing completion, which will enable the introduction of digital encryption, ensuring the highest level of security. Ten sites were built along the New South Wales South Coast and Kings Highway, and will be fully operational by December 2008. GCIO's role is to implement existing government policy by managing the delivery of an effective, efficient and reliable GRN service to support the 40 user agencies.

### Government licensing service

New South Wales government agencies embraced a multi-channel licensing system that GCIO rolled out during the year. As a result of their acceptance the number of licences migrated to the new system increased from 90,000 to 1.2 million and the number of agency users rose from 40 to 810.

Major partners who use the system include the Office of Fair Trading, Department of Environment and Climate Change, Office of Liquor, Gaming and Racing and Department of Health.

Agency partners working with GCIO to rapidly increase public access in 2008/09 include the Department of Primary Industries (Fisheries) and NSW Maritime.

Visit [www.licence.nsw.gov.au](http://www.licence.nsw.gov.au) for transactions or to view a public register of licensees.

## 2007/08 Performance indicators

Service	Indicator/Measure	06/07 Actual	07/08 Target	07/08 Actual	Comments	08/09 Target
<b>NSW Government Portal</b>	Number of visits to NSW Government portal	2.6M	4M	3.1M	See below*	3.6M
	*The 07/08 target of 4M was based on the 06/07 visits of 4M. However, as a result of a technical error the 06/07 figure was incorrect and should have been 2.6M. The actual traffic in 07/08 was 3.1M which compared favourably to the true count.					
<b>Government Radio Network</b>	GRN Service coverage by population	75%	85%	85%		Over the next two years the GRN is being upgraded so there is no proposal to extend the coverage of service until 2010
	GRN Service coverage by geographical area	33%	33%	33%	.	Network will be consolidated and technology upgrade before further expansion
<b>Government Broadband Service</b>	Number of agency sites using Government Broadband Service	1,050	1,300	1,300	Target sites operational	The GBS is being transitioned to the Government Telecommunications Agreement as part of People First

## NSW Procurement

*Commerce Goal 1 – Maximise value for government agencies in delivering services to clients, customers and community*

*Commerce Goal 2 – Simplify processes for dealing with government*

NSW Procurement is the New South Wales Government's centre of expertise for the procurement of capital assets and goods and services, including information and communications technology (ICT). It delivers efficiencies and cost savings through leading edge procurement strategy, advice, products and processes and business solutions for government agencies.

NSW Procurement also leads government procurement reform that is shaping new pathways for further savings. Financial and productivity savings are a significant source of funds through which the New South Wales Government is improving service delivery to New South Wales communities. Cost savings in government procurement expenditure are a critical way to help fund such key front-line services as health, education, transport, housing and human services.

NSW Procurement offers services that deliver value, minimise costs and manage risk across the government. Its key services include:

- establishing and administering state contracts and providing strategic sourcing and supply management advisory services
- design and delivery of efficient and effective procurement systems and guidelines, supplier management systems and contract dispute facilitation services
- designing and providing on-line procurement tools, solutions and services including *smartbuy®* and NSW eTendering.

In 2007/08, NSW Procurement reviewed all existing contracts (both state contracts and client specific) to identify opportunities for aggregation or more efficient procurement solutions. For example, under the new aggregation model it plans to consolidate the current Waste Disposal (Contract 697), Collection of Paper, Cardboard, and Other Co-Mingled Recyclables (Contract 6034), and Secure Destruction Services (Contract 6083) into a new waste services contract.

Other examples of where aggregation principles were applied included food service, office supplies, contingent work force, and the new Government Telecommunications Agreement. Alternative procurement solutions were also developed for the new motor vehicles and electricity contracts which are expected to deliver significant savings. These contracts are in various stages of development, request for tender or tender evaluation and should be progressively released to government agencies in 2008/09.

## Cost savings

In 2007/08 NSW Procurement revised its methodology to report only cost savings for whole-of-government state contracts, savings for duplicated efforts and process efficiency savings from eProcurement. \*The revised savings figures reflect increased procurement capability within NSW government agencies to implement better procurement practices and thereby drive savings. This is in line with the objectives of Agency Accreditation Scheme for goods and services procurement. The focus of the reported savings will increasingly be on the direct rate savings realised by agencies through purchasing under state contracts within a given period.

In 2007/08 NSW Procurement delivered \$416 million of estimated cost avoidance savings, made up of \$330 million from the use of state contracts, administrative cost savings of \$40 million and process efficiency savings of \$46 million from eProcurement. State Contracts Control Board contract savings estimates have been independently verified.

\* The methodology previously used to estimate cost savings to government agencies was based on procurement expenditure that agencies would incur in absence of a whole-of-government procurement function.



## Strategic sourcing services

Strategic sourcing takes a holistic approach to procurement and aligns procurement activities to the agency business needs and operating environments, thereby achieving sustainable cost benefits. Strategic sourcing is a well established and proven method for managing large-scale, medium-to-long-term procurement activities. It has been adopted as standard practice by numerous public and private organisations in Australia and internationally.

NSW Procurement has integrated the tool-sets and processes into the standard operating procedures and successfully deployed these methods in the establishment and management of State purchase contracts.

Strategic Sourcing Services supports the wider implementation of strategic sourcing processes within government to deliver enhanced procurement solutions and better value-for-money outcomes.

The data driven and analytical planning approaches taken include agency sourcing profile, expenditure analysis, needs analysis, opportunity analysis, process mapping, procurement operations improvement and 'back office' audit processes.

In 2007/08, strategic sourcing methodology was further developed and was applied across major whole-of-government contracts (e.g. food, pharmaceuticals, contingent workforce, workplace supplies procurement projects). NSW Procurement has now embedded the strategic sourcing method practice in its whole-of-government procurement processes.

## NSW procurement reforms

Premier's Memorandum 2006 –11, which was released in July 2006, sought NSW procurement reform in three key areas:

- all agencies are required to use the state contracts
- electronic procurement
- Agency Accreditation Scheme

These reform initiatives were established to deliver substantial savings to government, to get better value for agencies from procurement and build on government's investment in procurement systems and capability. NSW Procurement was made responsible for implementing the procurement reforms.

All major agencies were required to implement electronic procurement of their goods and services by June 2007. *smartbuy®* was the Government's default electronic procurement system. Responsibility for the implementation of *smartbuy®* and NSW eTendering under PM 2006 –11 lies with individual agencies.

Agencies can lodge their Requests for Tender documentation and available tenders through [www.tenders.nsw.gov.au](http://www.tenders.nsw.gov.au).

### *State contracts*

In 2007/08, expenditure through State Contracts Control Board contracts was \$3.64 billion. NSW Procurement has implemented a new client services business model to promote the use of state contracts to agencies.

### *eProcurement services*

NSW Procurement managed and promoted a number of electronic services, including eTendering and *smartbuy®*, which helped agencies to improve procurement efficiencies by reducing costs and avoiding infrastructure duplication.

## **eTendering**

NSW eTendering, a complete electronic tendering process that is standard for all government organisations, grew by 178 per cent on the last year. In 2007/08, 3,281 government tenders were published on the eTendering system, compared to 1,841 tenders in 2006/07.

Forty agencies had implemented NSW eTendering as their eSourcing solution of choice by the end of the reporting year.

## ***smartbuy®***

In 2007/08 the use of *smartbuy®* increased significantly. Orders valued at \$359 million were placed (up from \$224 million in 2006/07). More than 67,000 purchase orders were placed through the system, compared to 44,000 in 2006/07.

By 30 June 2008, seven agencies had implemented *smartbuy®* as their eProcurement solution of choice and four others had commenced discussions.

## ***Agency Accreditation Scheme, Goods and Services***

The Agency Accreditation Scheme for goods and services procurement is intended to lift procurement capability across agencies. The Scheme avoids duplication in government systems and resources through better leverage of government purchasing, better visibility of spend, better co-ordination of procurement activity and systems and better compliance with State Contracts. The Agency Accreditation Scheme for goods and services procurement is to apply to all agencies other than State-owned corporations. The Scheme will be administered by the SCCB and is based on agencies' assessed procurement capabilities.

The Agency Accreditation Scheme for Goods and Services procurement was further developed in 2007/08. The scheme is being refined to reduce red tape for agencies and industry.

## **State contracts for goods and services**

NSW Procurement went to the market as a single buyer to obtain the best possible whole-of-government price for goods and services. For example, the following contracts:

### ***Food Contract (C801)***

The contract covers a range of food products and provides savings of up to 35 per cent in some categories and up to an average of six per cent on grocery bills. It is expected to yield an annual saving of \$5.5 million. Eight catalogues were established in *smartbuy®* with user-friendly descriptions to support search and browse.

The contract also provides access to more than 22 suppliers and approximately 4,500 products, which are sourced from a wide range of regional and metropolitan providers. All suppliers covered by the contract are Hazard Analysis Critical Control Protocol certified and as a result, production and delivery of food products meets safety standards. As a general rule, the contract provides for free in-store delivery five days a week for metropolitan areas and two days a week for regional areas.

The food contract commenced on 1 April 2008 and expires on 31 March 2011.

### ***Pharmaceuticals Contract (C902)***

In August 2007, the SCCB renewed the pharmaceuticals contract with the aim of delivering savings estimated at \$10.2 million a year. The contract offers reduced pricing through sole supplier arrangement and bundled offers are available on drugs with the same generic name. The contract provides significant cost savings, which can be realised after further price reductions become available when drugs patent restrictions expire.

A single contract price applies across all NSW Health facilities and there are no single purchase agreements for drugs covered under this agreement. The contract covers all forms of drugs and

provides greater flexibility to doctors when prescribing medication to suit patient needs. Preference was given for blister packs and shatterproof plastic bottles as part of patient safety and waste reduction initiatives.

The pharmaceuticals contract commenced on 1 August 2007 and expires on 31 July 2009.

### *ICT Services Accreditation Scheme*

After a strategic review in October 2007 of contracts that covered various types of ICT services, a new approach was developed. This is based on a single gateway via which government ICT project managers can engage accredited ICT service providers. A simplified accreditation process will make it easier for small to medium enterprises to have access to government business and an online portal will provide project managers with ready access to information about vendor capability, performance and project experience.

Applications for accreditation were sought from the market during June 2008 and the scheme is expected to begin in the latter half of 2008.

## NSW Government procurement system for construction

The procurement system for construction consists of instrument templates, guidelines, tools and systems that help agencies select procurement strategies, develop tender and contract documents, contract risk allocation, select service providers, manage contracts and resolve contract disputes.

### *GC21 construction contract*

The New South Wales government construction agencies, including Commerce, developed the New South Wales Government General Conditions of Contract for Design and Construction, GC21. This contract form enables government to take a more uniform approach in its contractual dealings with the construction industry. In 2007/08, GC21 contracts procured through Commerce were valued at \$735 million.

### *Contractor Best Practice Accreditation Scheme*

The NSW Department of Commerce Contractor Best Practice Accreditation Scheme is designed to foster better and more consistent outcomes by working with contractors committed to continuous improvement in a wide range of functions and long term relationships with government. This ensures that ethical principles are enacted across their organisations. Accredited contractors meet government standards for performance, resource capability, financial viability and stability, co-operation and client relationships and the management of safety, quality, environment, industrial relations and employee training and development. Thirty two contractors are accredited. Benchmarking of performance criteria indicates that the overall performance of best practice accredited contractors exceeds the performance of all other contractors carrying out construction work.

In October 2007, the Contractor Prequalification Scheme and the Contractor Best Practice Accreditation Scheme were integrated into a new scheme. The new Scheme, which expires on 31 December 2010, further streamlines processes and makes it simpler for suppliers.

### *Consultant prequalification schemes*

A new-generation consultant prequalification scheme for construction-related services was developed for implementation in July 2008.

In February 2008, applications began for another new consultant prequalification scheme, Expert Panel – Performance Reviews and Management Consultancy. More than 100 applications were received and 92 consultants prequalified to provide expert services to the Department of Premier and Cabinet and other NSW government agencies.

### *Integrated performance management system*

The integrated performance management system incorporates updated contractor, consultant and project manager performance reporting and new stakeholder performance reports. The reports now include fields to capture data on Aboriginal participation in construction and dispute resolution. In 2007/08, the system continued to be used by clients and project managers to support performance management of suppliers in construction projects and construction-related consultancies.

### *Provision of financial assessment services*

In 2007/08, there were no insolvencies for Commerce prequalified contractors engaged in construction works.

A total of 1,400 contractor financial assessment reviews were completed for procurement of construction and goods and services valued at around \$4.5 billion. This was an increase from 1,330 assessments in 2006/07.

### *Dispute resolution advice and facilitation*

In 2007/08 Policy Support Services offered dispute resolution advice and facilitation for a diverse range of projects and agencies. Contract management advice was provided in response to approximately 250 separate enquiries. Around half of the enquiries related to providing advice in respect of contractual disagreements and the rest concerned contractual advice to prevent disputes.

### *Procurement Certification Training*

In 2007/08, NSW Procurement delivered 27 procurement courses and development programs to 740 participants to improve the procurement skills of staff in NSW government agencies.

The aim of the Procurement Certification Training Program is to improve the procurement capability throughout New South Wales Government, providing a nationally recognised foundation and leading to tertiary and postgraduate qualifications. In April 2008, TAFE NSW assessed the training program against the PSP04 competencies and determined it was the equivalent of vocational training for the Advanced Diploma of Government (Strategic Procurement). Successful students receive sufficient recognition to help them complete TAFE vocational training for an Advanced Diploma of Government (Strategic Procurement). In addition, the training program was accredited by the Chartered Institute of Purchasing and Supply (CIPS) in June 2008. Successful students are able to obtain CIPS level 4 accreditation on the way to achieving full member status of the Chartered Institute of Purchasing and Supply.

## 2007/08 Performance indicators

### Corporate performance

Service	Indicator/Measure	06/07 Actual	07/08 Target	07/08 Actual	Comment	08/09 Target
<b>State contracts</b>	\$ spend transacted through State Contracts Control Board contracts for goods and services	3.6B	3.9B	3.64B*		3.9B
<b>Electronic procurement</b>	\$ value of <i>smartbuy</i> ® purchase orders	224M	500M	359M		500M
	No. of purchase orders on <i>smartbuy</i> ®	44K	113K	67K		113K

Service	Indicator/Measure	06/07 Actual	07/08 Target	07/08 Actual	Comment	08/09 Target
	No of tenders published online	1,841	3,000	3,281		3,000
<b>Procurement Certification Training</b>	No of training courses	28	25	27		30
<b>NSW Government procurement system for construction</b>	Average performance score of "Best Practice" accredited contractors for capital works.	72.8	70	73.8		70
	% Commerce pre-qualified contractors insolvencies compared to all contractor insolvencies in the whole of the non-residential construction industry	0	0.5	0		0.4

\* Includes \$213.8 Million spent by NSW agencies through the Government Telecommunications agreement (DITM 2000-01) previously established by the Department of Information Technology and Management.

## StateFleet

### *Winning the NSW Health tender*

In 2007/08, StateFleet was selected to supply fleet management services to NSW Health. A competitive tender was called and evaluated by Deloitte Consulting. The contract offers:

- lease/asset management
- servicing and repairs
- vehicle commissioning
- supply of Fuel Cards
- monthly fuel billing
- disposal of motor vehicles.

As a part of the fleet management service StateFleet will also provide additional services such as access to an online vehicle pool booking system, fleet infringement management facility reporting, accident management and e-toll management.

StateFleet is delivering an extensive range of operational, management and financial benefits that will add value to NSW Health fleet operations. The anticipated benefits are fleet optimisation and reduction in number of vehicles, optimising vehicle selection taking into account environmental and safety ratings, whole-of-life cost comparisons and 'value for money' summary reporting to optimise acquisition decisions.

The Contract Implementation Program including staff training for employees of each Area Health Service was completed. Implementation of SmartPool has commenced and will continue into the next year.

### Environment

StateFleet remains at the forefront of vehicle related environment issues by providing policy advice to the Department of Premier and Cabinet and through representation on various government committees and panels.

StateFleet managed the Cleaner NSW Government Fleet Initiative on behalf of New South Wales Government and represented Commerce on a number of Cleaner Air committees.

StateFleet continued to be the lead agency in the Cleaner Government Fleet Program under which all agencies with a fleet size of over 100 vehicles submit an annual fleet improvement plan to StateFleet.

Notable achievements during the year included:

- the NSW Government Cleaner Fleet initiative set targets for an overall environmental performance score (EPS) for the NSW Government fleet. The EPS for NSW fleet progressed from 9.55 in July 2005 to 10.82 in July 2007 to 11.45 as at June 2008.
- the Cleaner Fleet initiative recommends that the NSW fleet has one per cent of its passenger fleet as hybrid technology vehicles and further recommends the removal of V8 powered vehicles from the NSW motor vehicle contracts, except for special purposes. This target was exceeded for 2007/08 with 1.8 per cent of NSW Government passenger fleet comprised of hybrid vehicles.

### Safety

StateFleet worked with the NSW Centre for Road Safety, the Roads and Traffic Authority and NSW Procurement during 2007/08 to ensure that the new contract for the supply of motor vehicles to the New South Wales Government included vehicle selection criteria that met high levels of safety standards for different vehicle categories.

### 2007/08 Performance indicators

Service Group	Indicator/Measure	06/07 Actual	07/08 target	07/08 actual	Comment	Target 08/09
State Fleet	Government average fleet "environment performance score" target met.	10.82	12	11.45	This score would have been higher if the Federal Department of Transport and Administrative Services had not retrograded all EPS for vehicles at 1 January 2006	Not yet announced
	Average resale values within +/- 10% of set residual value.	1%	+/-10 %	-2.2%	Achieved	+/- 5%

## Office of Public Works and Services

*Commerce Goal 1 – Maximise value for government agencies in delivering services to clients, customers and community*

The Office of Public Works and Services designs, plans, conserves, maintains and manages construction of public infrastructure throughout New South Wales. Units within Public Works and Services provide these services in a wide range of areas, often working cooperatively to pool skills and provide greater economies.

### Education

Public Works and Services, through its network of offices, continued to provide project management expertise to the NSW Department of Education and Training (DET). Public Works and Services completed and handed over 52 major capital school projects, providing new halls, libraries, administration buildings, specialist high school classrooms, pre-school refurbishments and trade schools valued at \$132 million as well as six TAFE projects valued at \$29 million. It also project managed \$57 million of minor capital works, providing new ramps, lifts, security fences, toilet upgrades, gas heaters, air-conditioning and in ground fibro program for schools.

Public Works and Services assisted the Department of Education and Training to meet the New South Wales Government's Building Better Schools Programs commitment by constructing additional halls, gyms, trade schools, upgrading high school kitchens and laboratories, toilet upgrades, security fences, electrical upgrades and upgrading lighting in high schools. \$17 million was spent in the 2007/08 financial year.

The Government Architect's Office managed the design and documentation work of new capital works for primary and high school buildings, additions and alterations for projects totalling approximately \$50 million over the last year, as well as an enhancement programme including multiple projects from \$1.5 to \$2.5 million, such as primary school halls and canteens, and high school gymnasiums.

Environmentally sustainable principles including orientation, appropriate thermal mass and water harvesting were applied to projects.

In addition a science laboratory upgrade program, with a total value of \$17 million, was delivered across New South Wales as a program of works that allowed for major efficiencies to be realised. Further planning is underway for another \$10 million of works to be delivered.

### Health

Project Management provided project management services for 72 projects for NSW Health across the State with a total project value of \$314 million. Many of these projects were in regional and rural areas, including:

- the opening of new cancer care facilities at Coffs Harbour and Port Macquarie, and a similar \$27 million project at Lismore completed an integrated network providing radiotherapy, chemotherapy and breast screening services for the state's North Coast region
- the \$12 million Tweed Heads Hospital education, breast screening and medical ward facility was completed as a priority government commitment to increase service availability in the region
- seven new mental health facilities continue to be developed with Public Works and Services as project director. These include units at Shellharbour, Sutherland, Coffs Harbour and Newcastle hospitals as well as a 14 bed specialist older unit at Wollongong. A 12-bed mental health unit at Port Macquarie was completed in mid 2007.

The Government Architect's Office electromedical group assisted NSW Health to save more than \$15.2 million by bulk buying electromedical equipment, such as CT scanners, through its whole of government period contract system. A new Interventional Neurological Angiography X-Ray Suite was handed over to Westmead Hospital in June 2008.

## Water

Public Works and Services again made significant contributions to management and design of water infrastructure and conservation of the state's water resources.

### *Water savings*

In 2007/08, the Water Savings Section of the Government Architect's Office completed 74 audits identifying recommended savings of 3,707 kL/day or 1,353 ML/annum. Savings averaged 33 per cent of historical usage. Long-term monitoring was installed on approximately 65 sites to assist with water management and identify the success of water saving initiatives.

NSW Water Solutions is a centre of excellence within government, providing investigation, design and technical advice about water (including wastewater and stormwater), infrastructure, data and the environment to state and local government.

As a centre of excellence in the water and natural resources sectors, in 2007/08 NSW Water Solutions advanced its capabilities in such innovative technologies as water reuse and recycling, flow systems analysis, membrane technology, desalination, fluoridation, risk assessment, fishways, contamination, hydrometric monitoring and responses to climate change.

The drought has concentrated attention on water supply and quality, water conservation, drought management and related environmental issues. NSW Water Solutions has been involved in projects contributing to more efficient and sensitive use of the State's water resources:

- Warragamba Dam Deep Water Access Project: investigation and design
- pumping stations at Warragamba and Prospect dams: investigation, design and testing
- Nepean borefield: investigation and design
- Goulburn Emergency Pipeline: options study
- Mardi Dam: investigation and design of dam raising and pump stations
- Living Murray Projects: fishways, Darling Anabranch Upgrade and wetland projects
- Tillegra Dam: NSW Water Solutions was competitively selected as dam designer and is underway with investigation and design work. This new 450,000ML dam project in the Hunter Valley is a Government commitment to drought proof the Hunter and Central Coast Regions.
- Water supply and sewerage projects: 30 water supply and 56 sewerage projects.
- Manly Hydraulics Laboratory's water monitoring network provides the water, irrigation and natural resource agencies with quality and timely data to effectively manage their water resources and environmental risks.

NSW Water Solutions undertakes about 1,000 projects each year. This year some of the most significant were:

### *Dams and civil technologies*

- dam projects at: Tallowa, Yass, Bootawa, Clarrie Hall and Shannon Creek
- major fishways on eight locks;
- Koondrook Perricoota Forest Regeneration
- contamination assessments and advice for more than 50 government sites
- specialist environmental assessments and advice for some 46 individual projects.



### *Water and wastewater technologies*

- audit study of water and sewerage schemes for 67 Aboriginal communities and development of cost estimates for system operation and maintenance and backlog maintenance to form the basis of a Government funding program aimed at ensuring satisfactory levels of service
- water services projects for Sydney Catchment Authority: Nepean borefield; Warragamba and Prospect pump stations; options for Shoalhaven Transfer System; upgrading of Upper Canal Transfer System; and chlorination systems designs
- water supply designs at: Eurobodalla, Gosford-Wyong, Muswellbrook, Wingecarribee, Bega
- strategic water management studies and advice on planning, best practice and total asset management
- sewerage projects at: Evans Head, Lithgow, Walcha, Gunning, Crookwell, Conjola, Batemans Bay, Bathurst, Bungendore, Parkes, Young, Cowra, Bundanoon and Braidwood

## Justice

Project Management provides program and project management for a \$540 million program of works for the Department of Corrective Services. In 2007/08, the Tabulam Second Chance Facility and the final stages of the Mid Western Correctional Centre at Wellington were handed over.

Project Management is providing project management services for the \$297 million, 1,000 inmate beds project, consisting of three major projects, including a new 500 bed centre at Nowra, an extension to the Cessnock Correctional Centre and asset maintenance contracts worth \$16.7 million.

These projects are the largest of fifteen construction projects to provide employment opportunities for 100 Aboriginal people, particularly those within the Shoalhaven local government area. The target groups include:

- opportunities for apprenticeship and cadetships for people wishing to enter the industry
- use of local and regional subcontractors and suppliers
- the engagement and involvement of the local Aboriginal community.

The projects directly contribute to priorities of reduced rates of crime, particularly violent crime, reduced re-offending and reduced levels of anti-social behaviour.

## NSW Maritime Capital Works Program

In 2007/08, Public Works and Services handed over the \$17 million upgrade of the Manly Wharf project, the \$1.3 million structural repair and upgrade at Taronga Zoo Wharf, the \$1.8 million demolition of the Blackwattle Bay wharf and the \$100,000 demolition of the old Rose Bay wharf. Public Works and Services also assisted with the design and investigation of several periodic maintenance projects including the upgrade to essential services and electrical upgrades.

## Heritage

### *Centenary Stonework Program*

Project Management is responsible for the Minister's Centenary Stonework Program, which funds conservation of the stone exteriors of the State's significant heritage buildings and monuments. Projects funded during 2007/08 included Government House, Sydney and Royal Prince Alfred hospitals, Sydney Observatory, Darlinghurst Court House, Darlinghurst Fire Station, Paddington Public School and Fort Denison. The Program provided \$4.73 million of funding in 2007/08 and recipient agencies funded a further \$1 million.

### *Sydney Observatory*

The Heritage group in the Government Architect's Office completed a major five-year program of stonework conservation at the Sydney Observatory in time for its 150th birthday celebrations, as well as new works including a domed telescope pavilion and substantial archaeological investigation of the site.

### *Fort Denison*

A major program of works with the National Parks & Wildlife Service to conserve the prominent stone ramparts of Fort Denison in Sydney Harbour.

### *The Rocks*

The Government Architect's Office Heritage Group worked with the Sydney Harbour Foreshore Authority to assess and repair many of the Authority's properties in The Rocks.

### *ANZAC Memorial*

The Heritage Group developed a concept plan for a major new education and interpretation facility to complement the significant Memorial building in Hyde Park South. General approvals in principle for the proposed underground complex next to the memorial were obtained from relevant heritage and other authorities.

## Environment

### *Energy management - lighting upgrades in schools*

One of the highlights of the Government's Building Better Schools Program is the funding to replace existing inefficient lighting with new energy-efficient lighting in up to 150 NSW schools over four years. Approximately 4,400 luminaries were upgraded or replaced in 2007/08. Following the upgrade, average classroom illuminance increased by up to 50 per cent while the total energy consumed by the five schools is expected to reduce by approximately 15 per cent. This is equivalent to 200 tonnes of greenhouse gas emissions per year, achieving savings estimated at up to \$30,000. Commerce is providing technical and project management of the program for the Department of Education and Training.

### *Carbon neutral, Architects Registration Board*

The Government Architect's Office undertook a commission for the Architects Registration Board to help it become carbon neutral in all its activities and operations. The Board adopted the study as a template for small consultancy practices wanting to reduce their carbon footprint, and is also running an industry pilot program based on the Government Architect's Office methodology. The study represented an important partnership between government and industry to achieve positive environmental outcomes across New South Wales.

### *Garie Beach Surf Life Saving Club*

Project Management managed the delivery of the Garie Beach Surf Life Saving Club for the National Parks and Wildlife Service. This remote site, nestled into the Royal National Park, presented particular challenges - the harsh marine environment, absence of mains power and water supply and a limited sewerage system. Environmentally sustainable design principles were expressed in the building detail. The project also featured sustainable solar and waste disposal systems. The \$3.8 million project was designed by the Government Architect's Office and recently won three awards from the Master Builders Association.

### *Darling Anabranch Project*

The Darling Anabranch Project, with a total budget of approximately \$54 million, seeks to save some 47,000 megalitres of water per year and return a degraded river environment to a more natural ephemeral system in three stages. Stage 1, completed in December 2007, consisted of the construction of a 317 km pipeline, pump stations and associated farm works. Stage 2, due for completion in mid 2009, consists of modifying and removing in-stream structures to allow the free passage of environmental flows. Project Management is responsible for project and construction management, design and construction documentation, surveying, geotechnical investigation and environmental documentation and for project management of Stage 3 that consists of reinstating an adaptively managed environmental flow regime.

## Housing and accommodation

### *Department of Ageing, Disability and Home Care*

As the Department of Ageing, Disability and Home Care's (DADHC) program grows, the services provided by Public Works and Services have increased. Project Management has provided services in program management, project management, facilities management and survey and design services for DADHC's:

- Group Homes and Respite Centre program (\$34 million)
- Large Residential Centre program (\$87 million)
- "Non Government Operator" grants program (\$5million)
- Office Accommodation program (\$5 million)
- Large Residential Centres maintenance program (\$5 million)
- Lachlan Large Residential Centre design and documentation.
- Commonwealth-funded Home Care programs
- asset assessment and management system improvements.

### *Government accommodation*

Public Works and Services project managed the delivery of the Government Service Centre at Queanbeyan which was completed on time and on budget in June 2008. The Queanbeyan Government Service Centre accommodates 321 employees from 11 government agencies over four levels. The building has a ground floor information resource centre which is a one-stop shop for government.

Public Works and Services is project managing the delivery of a new Government Service Centre at Penrith with handover scheduled for late 2008.

### *Government and Parliament House maintenance*

Project Management managed the maintenance of both Government House and Parliament House buildings with funds of \$1.03 million and \$1.18 million respectively. Public Works and Services assisted Parliamentary Building Services to implement the first energy and water saving projects to "green" Parliament House, making the building a showcase of energy and water savings initiatives. Rainwater tanks were installed, to collect and harvest rainwater and a photovoltaic array (solar power) was installed on the building's roof.

### *Aboriginal Communities Development Program*

Project Management provided program management services to support the Aboriginal Communities Development Program in delivering 220 new house constructions, 90 new house purchases, 688 house refurbishments, 321 emergency repairs, 1,240 people adequately housed, and 3,330 people

with improved housing in 22 priority communities. In addition, 79 water and sewerage projects were completed, to the benefit of more than 4,060 people. Seven projects are still in progress.

As a result of the Program, 15 Aboriginal building companies have been established, with 300 contracts let at a value of \$70 million. This has resulted in over 250 Aboriginal employees in Aboriginal building companies and also increased Aboriginal participation in other building companies. In addition, 22 Aboriginal people were trained in water and sewerage maintenance for 12 communities.

## Safety in construction and maintenance

Construction contractors, that were engaged by Public Works and Services on behalf of its clients, including its own Heritage and Building Services Group, achieved a Lost Time Injury Frequency Ratio of 1.9 injuries for each million hours worked. This compared favourably with the NSW construction industry's performance of 16.7 injuries per million hours worked for 2006/07, the latest published figures.

## Engineering emergency management

Under the State Disaster Plan, Commerce manages, coordinates and undertakes the specialist engineering services function on the State Emergency Management Committee.

In 2007/08, there were more major emergencies and events requiring significant engineering response than in the previous five years combined. The key ones were:

- recovery activities for the June 2007 Newcastle/Hunter Storm, which were ongoing in June 2008
- APEC planning and deployment to Emergency Operations Centre during the event
- assisting Department of Primary Industries with its response to the equine influenza outbreak
- Western Sydney hailstorms on 9 December 2007
- Lake Cargelligo water supply failure on 21 December 2007
- North Coast floods and storms of 6 January 2008
- Botany Road wall collapse of 6 March 2008.

### *Natural Disaster Relief Administration*

Project Management administers financial assistance to local councils and certain catchment management authorities and bore water trusts under the Commonwealth and NSW Government Natural Disaster Relief Arrangements. The financial assistance is available to restore assets damaged by declared natural disaster events. Councils, authorities and trusts have up to three years to complete works and claim reimbursement.

In 2007/08, Project Management made available \$1,194,094 of financial assistance for works completed, consisting of 15 payments to 14 councils.

## Facilities management

### *Asset management/maintenance*

In 2007/08, the Facilities Management area assisted the Department of Education and Training to manage 19 asset maintenance contracts of \$124 million. Twelve of these contracts are in regional and country centres, creating employment opportunities for some 1,594 subcontractors and 3,944 people. The remaining nine contracts, in the Sydney metropolitan area, created employment opportunities for 251 contractors and 2,203 people.

Facilities Management administered twenty cleaning contracts and two facilities management contracts for the Riverina and Central Coast areas, for a total of \$258 million. The contracts included

maintenance, cleaning and waste disposal and provide services state wide to schools, TAFE colleges, police stations, courthouses and other government agencies' sites.

## Government Architect's Office

### *The Australian and Korean War Memorial*

The Government Architect's Office managed, on behalf of the Premier's Department, the selection and commissioning of a commemorative design for the Australian and Korean War Memorial. This involved developing a brief, organising a limited design competition and project managing the community consultation and delivery of the project scheduled for completion in 2009.

### *Landscape*

**The Meeting Place Precinct** – The Government Architect's Office Landscape Group was the lead consultant in the development of a 16 hectare interpretive park known as the Meeting Place Precinct, the key visitor precinct at Botany Bay National Park at Kurnell. It was the place of first contact on the east coast in 1770 between indigenous Australians and the crew of James Cook's Endeavour. The park, which has a \$3 million construction budget, is due for completion in 2009.

**Western Sydney Parklands** - This 5,500 hectare site is the central open space corridor within the Sydney Basin linking the North West and South West growth centres. The Landscape Group was engaged to develop a master plan for the southern most precinct (498 hectares). The master plan incorporates community, destination and conservation parklands to cater for a diverse range of uses and activities and includes the incorporation of market gardens, recreational trails for mountain biking, horse riding and hiking. Habitat conservation and the development on a wildlife corridor is central to the development of the parklands.

### *McKell Prototype*

The Government Architect's Office Public Buildings Group designed the 'New Generation Work Place' prototype which is currently being trialled on Level 18 and 22 of the McKell Building for potential roll-out throughout the McKell Building.

## Data and natural resources technologies

- Department of Education and Training's (DET) School and TAFE Asset Data Program – hosting and maintenance of a continually updated survey database of DET schools and TAFE facilities that the Department of Education and Training can readily access for planning and asset management
- Sydney Harbour Foreshore Authority's Property and Asset Data Program – development, hosting and maintenance of a property and asset database that is readily accessible by Sydney Harbour Foreshore Authority for effective management of its estate
- Department of Ageing, Disability and Homecare's Property and Asset Data Project for Large Residential Centres - hosting and maintenance of a database of Large Residential Centre properties and built assets that is readily accessible for planning and asset management
- Department of Environment and Climate Change Environmental Water Data Monitoring Program – monitoring of rivers and the ocean for a range of purposes including mapping of environmental processes, design of infrastructure and coastal protection works, public safety and emergency planning and response
- Sydney Water's Sewer Monitoring Program – monitoring of sewer flows and rainfall to identify sewers subject to infiltration and consequently in need of rehabilitation or repair.

## Awards

In 2007/08 Project Management and NSW Water Solutions worked together on three award winning projects

Award	Project	Comments
Institution of Engineers, Sydney Division, Engineering Excellence Award – Infrastructure Projects category	Warragamba Deep Water Recovery Project	Joint winners with Sydney Catchment Authority and Baulderstone Hornibrook
Institution of Engineers, Newcastle Division, Engineering Excellence Award – Innovation and Sustainability	Port Macquarie Reclaimed Water Scheme	Joint winners with Veolis Water Systems (Aust), Lahey Constructions, Hunter Water Australia and Water Wise NSW
Premier's Public Sector Gold Award – Environment for Living	Warragamba Dam Deep Water Access Project	Joint winners with Sydney Catchment Authority

Project Management was successful in both the Australian Institute of Project Management (AIPM) Awards and the Premier's Public Sector awards. For the fourth year in a row a Public Works and Services project manager won the AIPM National Project Manager of the Year Award.

Award	Project	Comments
AIPM National Project Manager of the Year Award	Neil Mudge – Project Manager, Warragamba Dam Deep Water Access project	
AIPM Project Management Achievement Award – Regional Development category	Darling – Anabranch Pipeline project	
Premier's Public Sector Gold Award – Delivering Locally category	North Coast Cancer Institute Integrated Cancer care Project	Joint winners with NSW Health and Ramsey Health Care

The Government Architect's Office won several awards, or received a highly commended, in 2007/08. The Government Architect's Office also worked with Project Management and NSW Water Solutions on the award-winning Warragamba Dam Deep Water Recovery project.

Award	Project
Strathfield Council Heritage Award in the commercial buildings category	Australian Catholic University
Energy Australia National Trust Heritage Award - Conservation Built Heritage for Project under \$1 million – Highly commended	The adaptation of the sandstone buildings of the former Plunkett Street School as the Sydney Distance Education High School
Energy Australia National Trust Heritage Award – Corporate /Government Conservation Projects	The Sydney Hospital Carvings Recording

Award	Project
category – Highly commended	
Master Builders Association NSW Excellence in Construction Award - Sporting Facilities up to \$5M	Garie Beach Surf Safety Centre at Royal National
Master Builders Association NSW Excellence in Construction Award - Environmental Management	Garie Beach Surf Safety Centre at Royal National
Master Builders Association NSW Excellence in Construction Award - Best Use of Timber	Garie Beach Surf Safety Centre at Royal National
Master Builders Association NSW Excellence in Construction Award - Public Buildings Category for projects up to \$5M	Muswellbrook Police Station

## 2007/08 Performance indicators

Service Group	Indicator/Measure	06/07 Actual	07/08 Target	07/08 Actual	Comments	Target 08/09
Office of Public Works and Services	% of projects managed by Public Works and Services completed on time.	88.67%	85%	91.5%	Achieved	85%
	% of projects managed by Public Works and Services completed within budget.	92.33%	85%	89.5%	Achieved	85%
	% of client satisfaction with asset solutions developed on behalf of client agencies.	87.56%	80%	88.5%	Achieved	80%
Project Management	Lost Time Injury Frequency Ratio score to be 20% better than industry on Commerce managed projects.	-82%	-20% better than industry	-20%	Industry benchmark is 21.3 lost time injuries per million hours worked. Workcover NSW Statistical Bulletin Achieved	-20% better than industry
	% of business case outcomes accepted by client.	100 %	95 %	Nil undertaken this year		95 %

Service Group	Indicator/Measure	06/07 Actual	07/08 Target	07/08 Actual	Comments	Target 08/09
	% of business cases that pass through the Gateway and Budget Committee	No business cases undertaken in previous year	95 %	Nil undertaken this year		95%
	% of DET asset costs compared to other jurisdictions.	13 %	5 %	19%	Achieved	5%
	% Objectives of Minister's stone program met.	100 %	100 %	100%	Achieved	100 %
Government Architect's Office	Cost savings in \$millions to Government and non-profit organisations using electricity contract C777	\$27M	\$11M	\$68M	Achieved This high saving is due to the volatility of the electricity market during 2007-08 (\$62M at end of May 2008)	\$20M actual savings will depend on the volatility of electricity prices during 08/09
	Water savings identified in Megalitres per day	1691ML	1450ML	1288ML	Results slightly below target due to staff shortages	1500ML
	Number of expert design reviews undertaken for government agencies.	37	20	60	Achieved	20
	Number of hits on the building Price Index (BPI) website.	7158	6600	4324	Number of visits to website down but subscription has remained stable	6600



Service Group	Indicator/Measure	06/07 Actual	07/08 Target	07/08 Actual	Comments	Target 08/09
<b>NSW Water Solutions</b>	% of required environmental data successfully captured by MHL for state natural resource management agencies and for storm/flood/estuary events.	93.1 %	90 %	96%	Achieved	90 %
<b>Facilities Management</b>	Achieve a reduction in workers compensation costs in Government Cleaning Contract as evidenced by reductions in the WorkCover Industry Classification rate	12.5%	16.23% (WIC benchmark)	11.27	Achieved	11%

## Strategic Communications and Government Advertising

*Commerce Goal 1 – Maximise value for government agencies in delivering services to clients, customers and community*

*Commerce Goal 2 – Simplify processes for dealing with government*

Strategic Communications and Government Advertising provides strategic advice in the planning and implementation of government communications, advertising, publishing and information services.

### Co-ordination of NSW Government advertising

The Department of Commerce co-ordinates and oversees the planning of NSW Government advertising. The NSW Government advertising guidelines establish a clear set of principles and procedures to be observed by all government agencies.

New advertising campaigns with a total budget of \$50,000 or more are subject to a peer review process managed by Commerce, which provides agencies with an informed and independent assessment of the campaign's robustness. During the year, 21 campaigns were submitted for peer review, resulting in improved and more effective strategies.

Examples of improvements to advertising activities following the peer review recommendations include consideration of alternative media options, increased use of internal Government communication channels as well as improved inter-agency consultation and cross-promotion of key messages. Opportunities for cost savings have also been identified through amended evaluation approaches and revised advertising timelines.

### NSW Government advertising activity

Strategic Communications and Government Advertising assisted government agencies plan and implement public information and awareness advertising projects for government. These included the continuation of the Roads and Traffic Authority's (RTA's) programs on road safety, speeding and drink driving, the rapid dissemination of information during the equine influenza outbreak and the highly effective melanoma advertising and integrated anti-tobacco programs developed by the Cancer Institute NSW, which have helped drive down the NSW smoking rate from 24 per cent to a new low of under 18 per cent in the last ten years.

The RTA's award winning 'Pinkie' campaign has increased awareness of the dangers of speeding among young male drivers and has been one of Government's most successful advertising campaigns to date. The overall awareness levels and worldwide media coverage created by this advertisement are an outstanding testament to the success of the campaign.

Research has shown that three quarters of young drivers that have seen the "Pinkie" commercials agreed that the advertisement would encourage them to slow down. Analysis carried out before and after the campaign has also shown a significant increase in the likelihood of young drivers to obey the speed limit when driving with passengers.

## Media cost management

Utilising a centralised contract, TV, radio and other media is bought through one of Australia's largest media buying agencies. Annual negotiations on advertising rates are conducted directly with the major media groups to ensure both price and service benefits.

In 2007/08, \$116.3 million was processed through the Master Media and Placement Contracts, including \$34.3 million on non-campaign advertising (public notices and recruitment advertising).

By purchasing all media through one central contract, an estimated \$53 million in savings were achieved against the standard market rate.

Advertising activity of over \$2 million in value during the period:

■ Cancer prevention	\$15.4 million
■ NSW Lotteries	\$19.2 million
■ RTA road safety	\$12.1 million
■ Tourism	\$9.1 million
■ Workcover	\$3.3 million
■ Water Conservation	\$3.4 million

## Recruitment advertising services

In 2007/08, Strategic Communications and Government Advertising handled 10,087 recruitment advertisements for more than 100 government agencies.

## 2007/08 Performance indicators

Service	Indicator/Measure	06/07 Actual	07/08 Target	07/08 Actual	Comment	08/09 Target
<b>Aggregation of media buy</b>	Estimated \$ savings to government achieved through the Master Media and Placement contracts compared to market media rates	\$44M	\$46M	\$53M	\$ Savings are realised through negotiated discounts off media rates and are directly related to the volume of activity	\$44M
<b>jobs.nsw</b>	Number of visits to jobs.nsw site	3.2M	3.0M	3.1M		3.2M
	Number of on-line job applications lodged	71K	79k	74k		79k

## Improved internal performance

*Commerce Goal 5 - Contribute to a credible, efficient and effective organisation*

### Corporate procurement

Corporate Procurement Strategy Unit supports Commerce business units with strategic guidance on procurement issues including policies, data analysis, sourcing strategies and process improvement.

The Strategic Sourcing Project, which analyses expenditure and identifies specific expenditure categories, continued throughout 2007/08. Specific attention was given to Commerce's use of the NSW Government travel contract, resulting in a 30 per cent reduction in the annualised cost of air travel.

A major focus of the Unit in 2007/08 was consolidating the use of the SAP enterprise resource planning (ERP) system and related systems, including *smartbuy*®. This resulted in a threefold increase in the use of electronic purchase orders as well as greater control over the initiation and approval of transactions, process efficiencies and improved accuracy of data. The enhanced use of the ERP system assists the ongoing analysis of Commerce's expenditure and targeting of strategic sourcing opportunities. The discipline of using purchase orders to initiate purchases will reduce the risk of leakage of expenditure from contracted suppliers and generate further process efficiencies.

### Motor vehicle management

Commerce reduced its fleet size by 1.7 per cent from 558 vehicles in July 2007 to 549 vehicles in June 2008. This was a further improvement on the 6.8 per cent fleet reduction achieved in 2006/07. Total increases in fuel costs were contained to 2.9 per cent, while total lease costs decreased by seven per cent. Overall, fleet running costs decreased by 4.2 per cent. This was achieved by continued improved fleet management, particularly in the appropriate selection of fuel efficient vehicle types and models.

Average annual kilometres travelled per passenger vehicle remained at approximately 20,000 kilometres.

In 2008/09, Commerce will review the fleet profile of replacement vehicles, particularly the replacement of six cylinder vehicles with either four cylinder vehicles or vehicles with a higher environmental performance score.

### Voice communications

During 2007/08, Commerce trialled a new mobile phone to better support service delivery in regional and remote areas in NSW. The trial was successful and Commerce has now implemented the phone as standard, which will improve mobile phone coverage in many regional areas.

In late 2007, Commerce committed to fixed and mobile voice carriage agreements under the new Government Telecommunication Agreements. As a result, it is expected that there will be average savings of approximately 17 per cent on carriage services for 2008/09 and onwards. Savings have already been realised because of this initiative.

### Commerce property portfolio

During 2007/08, the management of Commerce's property portfolio achieved savings of \$1.5 million a year by co-location of services and termination of leases without replacement, or replacing the leases with downsized premises.

Co-location initiatives at McKell Building reduced the number of leases in Sydney CBD. The proposed co-location of Sydney Region services and Heritage and Building Services at 2 Burbank Place, Baulkham Hills resulted in the termination of a lease in Hornsby and will terminate a lease of over 2,000 square metres in Bankstown.

The former QStores site at 47-49 Bourke Road, Alexandria was sold for more than \$16 million and settled in July 2007. The former Property Valuation Office at 86 Gipps Street, Bega was sold for \$420,000 in October 2007. The former Motor Vehicle Repair Industry Authority (MVRIA) site at 239 Great North Road, Five Dock was passed in at public auction on 26 June 2008.

## Information services

Information Services continued initiatives from the previous year to increase cost effectiveness and efficiencies in managing the corporate information assets.

These initiatives included:

- continuing to work with the Commerce Libraries and Information Network Group
- supporting the Information Management Program on a range of projects to improve information management and controls, information sharing and collaboration
- planning for digital record keeping
- scanning historical collection of annual reports for publication on the Internet
- developing strategies to address records storage issues
- completing migration of architectural drawings metadata from a legacy system into a records management system and developing a graphic user interface search application
- commencing migration of Intranet content into a new content management system.

## Information technology

A range of technology-related improvements for the new *internal* ServiceFirst IT clients and business units was implemented during 2007/08:

- implementation of a single and updated content management system to service the Commerce Intranet
- improved personal computer (PC) support responsiveness and efficiency, including remote support and unattended software installation, through completion of the PC standard operating environment
- improved functionality and reduced costs for printing, copying, scanning and faxing through the continued rollout of multifunction imaging devices
- project management through the information and communications technology program management office, which was established to ensure successful execution of the diverse range of ICT projects, including improved project reporting to the Board
- completion of the Virtualisation Project, which consolidated 26 physical servers and 30 web applications, hosted on a platform of four physical servers running a virtualisation layer, which enables more effective use of server infrastructure, thereby reducing Commerce's resource consumption
- commencement of the Data Centre Consolidation project, in which six data centres will be decommissioned to be replaced with a single facility. This project offers improved reliability and resilience for applications, which support Commerce business units and members of the public. Since commencement of the project in January 2008, the new production data centre has been fitted out with full hosting and communications infrastructure in readiness for migration of servers and applications from July 2008
- development and piloting of an integrated identity management solution which extracts information from various authoritative sources for re-use in other applications and enables the passing of information between systems, password synchronisation and a single telephone directory for all staff

- redevelopment of public facing web sites in line with the Department of Premier and Cabinet website style guide, which aims for consistency across government web sites for easier public access.

ServiceFirst IT, introduced a range of technology-related improvements for *external* clients and business units, including:

- redevelopment of major business applications to meet key New South Wales Government reform initiatives for native vegetation, water management, planning and corporate services.
- provision of best practice project management frameworks for the development of effective IT business solutions in partnership with client agencies and external providers
- establishment of a technical environment for the introduction of an electronic document and records management system across multiple external clients
- transfer of over 1,000 Telstra CDMA mobile phone services to Next G
- migration of over 100 telecommunication data links to Government Broadband Services
- establishment of multimedia conferencing facilities through the use of Message Stick
- installation of Voice over Internet Protocol for Corporate Shared Services employees across NSW
- implementation of a state-wide service support model utilising the Infra Service Desk solution and VoIP based Call Management system
- deployment of Local Area Network infrastructure upgrades to enable 1GB to the desktop and Power over Ethernet capability to 90 per cent of 80 sites and improved performance
- upgrade of the Identity Management system to synchronise user account details between differing identity platforms
- implementation of blade and virtualisation technology solutions to support rapid, low cost server deployments and reduced infrastructure costs for sharing development and test infrastructure resources
- upgrade of products for improved desktop and server management including system imaging and patch management.

### *Environmental sustainability*

During 2007/08, a range of IT initiatives contributed to improving Commerce's environmental sustainability. These included:

- continuing to encourage and educate Commerce staff to reduce energy consumption from ICT equipment in each business unit, for instance by shutting down personal computers at the end of each day
- the replacement of ageing PCs and imaging devices at end of life with newer more energy efficient models
- optimising power saving settings, including the automated "sleep mode"
- continued rollout of imaging devices with standard resource consumption optimisation settings such as double-sided printing
- reducing the size of Commerce ICT assets fleets, including personal computers, imaging devices and servers, thereby reducing energy and resource consumption.

### *Enterprise resource planning*

Following on from the successful completion of the enterprise resource planning (ERP) program in 2006/07, Commerce:

- fully decommissioned the legacy Mincom Information Management System system

- successfully upgraded the Commerce ERP system, version ECC6 to the latest SAP Support Pack level
- successfully upgraded the Commerce Client ERP system (formerly CSS ERP system) from version 4.6b to version ECC6
- commenced a technical review of the performance of the contracts functionality within the ERP system
- reviewed the ERP hardware landscape to improve both the performance and response times of the ERP system and the disaster avoidance/disaster recovery capabilities.

Commerce also began implementation of the governance, risk and compliance module of the ERP system. It is working closely with the Government Chief Information Office be recognised as the 'domain expert' within their knowledge resource centre and to help implement this audit tool across other government agencies.

### *Information security*

Commerce continued to work towards implementing and deploying security management systems consistent with the International Standard on Information Security (ISO27001).

Additional initiatives included:

- successful introduction of an additional layer dedicated to protect email services by filtering SPAM and preventing email storm attacks (denial of service attacks)
- replacement of Commerce's web content filtering with a product allowing improved protection and superior customisation.

Information security initiatives to support the new ServiceFirst IT and further the integration process included:

- the upgrade of departmental firewalls to reduce exposure to security risk
- implementation of compliance monitoring and reporting software for critical servers consistent with ISO27001 standards
- diversion of emails via the Commerce network for improved and consistent SPAM filtering
- migration of the anti-virus platform
- deployment of a management appliance to monitor vulnerabilities on critical servers.

### *Security/business continuity planning*

Revision of business continuity management for Commerce ICT infrastructure continued, including the development of business continuity policy and guidelines and procedures.

Additionally, in November 2007, ServiceFirst (specifically at Bligh House and Governor Macquarie Tower) underwent a triannual information security surveillance audit and certification applying to a range of corporate services provided to external clients. This confirmed compliance with the requirements of AS/NZS 2700:2005 Specification for Information Security Management Systems.

## Energy and environment

### *Waste Reduction and Purchasing Plan*

Commerce's Waste Reduction and Purchasing Plan (WRAPP) incorporates recommended WRAPP principles to conserve resources, promote the use of recycled materials and reduce the waste generated by the Commerce's offices.

Commerce has continued to apply WRAPP principles in its procurement and operational activities. Specific priorities and results were:

- the use of recycled paper increased from 68 per cent to 93 per cent in 2007/08
- 450 mixed devices were replaced by 160 multi-function devices as part of the multi-function replacement program
- the devices that were disposed of were recycled where possible,
- the new multi-function devices are recyclable at their end of life.

General consumption of paper was reduced by approximately 58 per cent\* due to:

- introduction of online purchasing
- introduction of online applications and approvals for Human resource (e.g. higher duty applications and leave applications)
- use of double-sided (duplex) printing and copying as a default in all the new multi-function devices throughout Commerce.

In support of sector wide WRAPP initiatives, NSW Procurement instituted steps to incorporate WRAPP principles in Requests for Tenders for State Contracts Control Board and include them in the tender evaluation process.

\* Adjusted as 2006/07 figures only recorded for six months.

### *Energy management*

Commerce has a corporate Energy Management Plan and is committed to savings in energy usage and sustained energy management principles, in accordance with the Government Energy Management Policy.

Progress towards these goals included the following:

1. Commerce expanded the number of sites that purchase electricity in the contestable market through a change in the contractual arrangements.

During 2007/08, Commerce worked towards ensuring smaller sites were included in the contracts for contestable purchases of electricity and began to move all appropriate smaller sites to the contract. The small site contract also includes the purchase of six per cent renewable energy. Additionally, Commerce leases offices that are part of the State Property Authority, which also purchases electricity in the contestable market.

2. The purchase of electricity in the contestable market lowered costs and achieved a reduction of greenhouse gas emissions by purchasing a percentage of green power.

Commerce's total energy consumption for 2007/08 was 63,710 gigajoules of energy, for Commerce-occupied buildings, a reduction of two per cent compared to 2006/07 revised consumption. This included over 818,524 kWh of green energy. The energy consumption in Commerce tenancies and buildings equates to total emissions of 13,621 tonnes of CO<sub>2</sub>, a reduction of two per cent compared to 2006/07 revised emissions. The cost of the building energy was \$ \$1,735,300, also a decrease of two per cent over 2006/07 revised costs.\*

3. In May 2004, the NSW Premier issued a Memorandum titled 'Greenhouse Performance of Office Buildings and Rental Properties', which set out policy and targets for all Government agencies to measure and improve the greenhouse performance of government office buildings. Accordingly, Commerce arranged to obtain an accredited assessment under the National Australian Built Environment Rating System (NABERS) and Australian Buildings Greenhouse Rating (ABGR) for all of its tenancies greater than 1,000m<sup>2</sup>. Commerce participated in "Switch Off" Campaign and implemented a "Switch Me Off" initiative to reduce energy consumption and CO<sub>2</sub> emission. An improvement plan is being developed to further meet the targets set out for all Government agencies.

\* The figures provided are based on billing information available at the time of the report. Some information was extrapolated from data received, or estimated over the full year.

## Fleet vehicles

Greenhouse emissions from transport in NSW represent 14 per cent of total NSW greenhouse emissions. Cleaner air and progress on greenhouse gas reductions is a priority of the New South Wales Government which has set a target of a 60 per cent cut in greenhouse emissions by 2050 and a return to year 2000 greenhouse gas emission levels by 2025.

The Cleaner NSW Government Fleet initiative requires all general government sector agencies to establish a Fleet Improvement Plan to meet specific targets for both noxious and greenhouse emission reductions. In 2006/07, StateFleet began reporting the use of ethanol/petrol blend and premium unleaded petrol to give agencies more data on their CO2 emission levels.

Commerce developed a fleet improvement plan to meet the targets set for all government agencies. The Commerce baseline average environmental performance score for improvement over the next three years is 9.6. The average Commerce environmental performance score improved from 10.2 to 10.6 out of 20 during 2007/08. Commerce's overall rating was below the 2007/08 target of 12/20 because of the operational requirement for commercial vehicles, including four-wheel drives, to provide services in regional and remote areas. Commerce is reviewing the fleet profile in respect of replacement vehicles to drive improvements in the environmental performance score.

The environmental performance score for Commerce's passenger vehicle fleet increased from 10.9 in July 2007 to 11.4 in June 2008. This decreased the total emissions made by Commerce vehicles and reduced fuel consumption.

\*The environmental performance score is a measure out of 20 based equally on two factors, the vehicle's greenhouse rating and air pollution rating. The greenhouse rating is determined by the amount of carbon dioxide emitted, which is linked to amount of fuel consumed by the vehicle, and the type of fuel used. The air pollution rating is determined on the amount of air pollutant emissions including carbon monoxide, hydrocarbons and oxides of nitrogen. The higher the score the better the environmental performance.

*The figures provided are based on billing information available at the time of the report with some information extrapolated from data received, or estimated over the full year.*



## Financial highlights

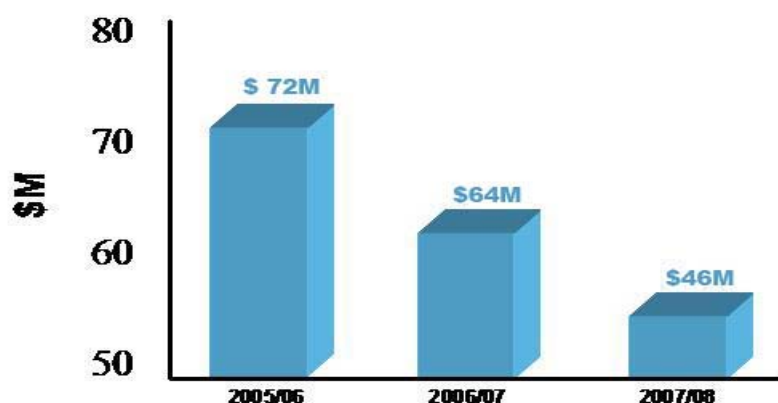
The Department of Commerce's Net Cost of Services for 2007/08 was \$88.3 million. This was \$26.2 million lower than the 2007/08 budget and \$47.8 million better than the 2006/07 actual result.

The improvement in Net Cost of Services compared to budget is mainly attributed to a positive variance of \$17.2 million in profit on sale StateFleet motor vehicles partly offset by loss on sale of other non-current assets. Another major factor contributing to the favourable variance is the higher than budgeted revenue from retained taxes, fees and fines of \$11.4 million mainly due to an increase of \$11.1 million in interest received from the Real Estate Agent's Trust Account.

The favourable variance in Net Cost of Services compared to the previous year is attributed to an improvement in operating results across the Department including better results from sale of StateFleet motor vehicles. Profit from sale of motor vehicles improved by \$19 million and other operating results by \$28.8 million compared to the previous year.

A number of items outside the ordinary operations of the Department are included in the Net Cost of Services and, when removed, highlight the underlying trend in the finances of the Department.

### Underlying Net Cost of Services<sup>1</sup>



This graph shows the movement in the underlying Net Cost of Services for the Department of Commerce. Net Cost of Services have improved from \$72 million in 2005/06 to \$46 million in 2007/08. This improvement is mainly due to lower employee related expenses and other operational efficiencies across the Department. This result was achieved while absorbing the 4% wage increases in 2006/07 and 2007/08.

## Net Assets

The Net Assets of the Department of Commerce have increased from \$539 million in 2006/07 to \$579 million in 2007/08. This is mainly due to operating surplus of \$74 million, offset by transfer of funds to Treasury and other agencies of \$41 million.

The value of StateFleet motor vehicles held by the Department and disclosed within Plant and Equipment increased from \$524 million in 2006/07 to \$535 million in 2007/08. This increase in motor vehicles was funded by borrowings from TCorp in accordance with the fleet financing arrangements.

<sup>1</sup>Underlying Net Cost of Services excludes the expenses associated with ICT projects within the Government Chief Information Office, superannuation expenses, voluntary redundancy payments and whole of Government related grant payments.

---

NSW Department of Commerce Annual Report 2007/08

**Corporate Governance**



## Corporate governance framework

Commerce's corporate governance framework consists of the following interrelated components:

### *Corporate objectives and values*

Corporate goals, objectives and values were established in the Commerce Corporate Plan 2006-2011. Goals and objectives are detailed in the Results and Services Plan.

### *Governance principles*

Commerce's governance principles are:

- clear role and responsibilities
- transparent and accountable decision-making
- effective, efficient and ethical decision-making
- respect for the law and high probity standards.

### *Governance framework*

A new governance framework for Commerce was approved by the Executive and will be implemented throughout Commerce during 2008/9.

## Performance management

### *Results and Services Plan*

The Results and Services Plan is the service delivery and funding plan that identifies what Commerce plans to achieve with its current resources. This plan is also used by the New South Wales Government's Budget Committee to determine an agency's budget allocation.

Within the Plan, the Department's strategic objectives in fulfilling its charter are outlined together with strategies on how Commerce will support the NSW Government's goals and priorities.

As well as explaining what Commerce plans to deliver, the Plan details the key performance indicators and service measures by which Commerce will monitor the effectiveness and efficiency of its implementation. Quality, access, timeliness and cost of service delivery are assessed within the service measures.

The Corporate Plan details how Commerce intends to deliver on its objectives as outlined in the Results and Services Plan. Strategic level plans have been developed to deliver outcomes in such key result areas as:

- Total Asset Management Plan
- Commerce People Strategy
- Information and Communications Technology Strategic Plan.

These plans are regularly reviewed and are a vital component of Commerce's management of identified strategic risks.

### *Corporate Plan 2006-2010*

The Department of Commerce Corporate Plan 2006-2010 outlines:

- the Department's purpose - what we do
- how Commerce will achieve the long-term objectives and address current key issues (strategies)

- and how Commerce will achieve the performance indicators and services measures identified within the Results and Services Plan.

The Corporate Plan builds on past achievements and sets direction for the next four years. In 2007/08, Commerce contributed to the Government's priorities by delivering services that support:

- maximising value for government agencies in delivering services to clients, customers and the community
- simplifying processes for dealing with government
- promoting a fair marketplace for consumers and traders
- promoting fair and productive workplaces.

These goals help Commerce fulfil its purpose of supporting, connecting and delivering value.

### *Total Asset Management plan*

The Total Asset Management (TAM) plan outlines Commerce's asset strategy together with business cases and Gateway Review reports that support major capital projects; this outlines how Commerce assets support effective, efficient and cohesive service delivery.

The purpose of the TAM plan is to set the strategic direction for Commerce's physical asset and infrastructure planning and management. This ensures that the asset strategy, its management and planning are aligned with the objectives and that associated risks are also appropriately managed.

The TAM plan also includes supporting plans such as the capital investment strategic plan, office accommodation strategy, maintenance plan and disposal strategy.

## Risk management

### *Corporate risk management*

Risk management is considered a critical component of corporate governance within Commerce. Corporate Risk Services has developed the Department's risk management policy and framework and deals with insurable risk. The Commerce Executive, through the Commerce Risk and Audit Committee, has established a policy and framework consistent with AS/NZS 4360:2004.

This framework recognises that risk management fosters:

- a confident, rigorous basis for decision-making and planning
- better identification of opportunities and threats
- proactive rather than reactive management
- more effective allocation and use of resources
- improved incident management and reduction in loss and cost of risk
- improved stakeholder confidence and trust
- improved compliance with relevant legislation
- better corporate governance.

The Commerce risk management framework underpins the Commerce strategic planning documents (Results and Services Plan, Corporate Plan, TAM plan and People Strategy). These plans are regularly reviewed by the Executive and form a vital component in Commerce's management of identified strategic risks. The links with corporate planning were further consolidated during the year through better monitoring of risk management activities through the Results and Services Plan reporting. This also supports the concept that the management of risks changes over time and that mitigation activities can be flexible.

The Commerce training and awareness strategy is key to building risk management capability and was awarded the Public Sector Risk Management Association Learning and Development Award for 2006. The cornerstone of this strategy is the accredited risk management course run jointly with NSW TAFE. The training provides staff with an externally accredited risk management qualification, and provides them with a variety of tools and techniques that will assist in undertaking their work within Commerce and building a risk-aware culture. Together, the framework and improving capability places Commerce in a strong position to contribute to the management of risk across the public sector.

During 2008/09, the Governance & Risk Branch will facilitate a program to develop risk identification and management in each business unit with a view to embedding appropriate risk management in the every day operations of Commerce's business units.

Commerce's strategic risks are periodically reviewed by the Executive and focus on such areas as attracting and retaining key staff, management of major projects, inadequate response to major disaster and loss of IT capability. Progress on actions to manage those risks is reviewed regularly by the Executive.

### *Insurable risk activities*

Commerce continued to participate in the NSW Treasury Managed Fund to cover all insurable asset and liability exposures. Commerce worked closely with key external insurance stakeholders.

As a member of the Self Insurance Corporation General Claims Management Working Group, Commerce contributed to the development of Service Level Agreements for the property, liability and miscellaneous insurable risk lines that apply across the Treasury Managed Fund.

Overall, insurable premiums increased 6.58 per cent compared to 2006/07. The result was driven by higher premiums in the motor vehicle and property lines. Offsetting this result was the ongoing improvement in liability premium costs which were lower than the primary pool.

Future workers' compensation premium results may change with the introduction by the Self Insurance Corporation of a new benchmark premium methodology which commences 1 July 2008.

Registered claims were lower in frequency and cost generally for all lines of insurance cover compared to 2006/07.

### **Claims history**

Number of claims	2004/05	2005/06	2006/07	2007/08
<b>Workers' compensation</b>	148	116	148	111
<b>Motor vehicle</b>	276	255	257	227
<b>Property</b>	39	20	19	18
<b>Liability</b>	6	9	5	3
<b>Other</b>	3	2	0	1
<b>Total</b>	472	402	429	360

**Claims cost**

Net incurred cost	2004/05	2005/06	2006/07	2007/08
<b>Workers' compensation</b>	802,453	669,742	1,654,066	791,630
<b>Motor vehicle</b>	732,371	676,485	774,609	658,597
<b>Property</b>	251,111	697,579	144,254	98,533
<b>Liability</b>	35,618	212,270	61,983	31,300
<b>Other</b>	1,254	1,456	0	0
<b>Total</b>	1,822,807	2,257,532	2,634,912	1,580,060

**Average claims cost**

Net incurred cost	2004/05	2005/6	2006/07	2007/08
<b>Workers' compensation</b>	5,421	5,773	11,176	7,131
<b>Motor vehicle</b>	2,653	2,652	3,014	2,901
<b>Property</b>	6,438	34,878	7,592	5,474
<b>Liability</b>	5,936	23,585	12,396	10,433

**Audit and compliance***Commerce Risk and Audit Committee*

During 2007/08, the Committee met five times to oversee financial reporting, systems of internal control, risk management, corruption prevention, compliance systems and other regulatory requirements, and the internal and external audit functions.

Members of the Risk and Audit Committee at 30 June 2008 were:

- John Brown                      Independent Member and Chair
- John Lee                         Director-General, Commerce
- Marcia Doheny                General Counsel and Director, Legal and Governance
- Brian Baker                    A/Deputy Director-General, Office of Public Works and Services
- Glenn Smith                  Director, Corporate Services and Review
- Paul Dexter                     Chief Financial Officer

*Internal audit*

Commerce's Audit Branch reports to the Director-General for the audit function and the Director, Legal and Governance for advice on strategic and corporate issues particularly regarding governance and risk.

Audit Branch plays an important role in the governance framework by reviewing the compliance, control, efficiency and effectiveness of priority programs and business processes.

The Chief Auditor is the Corruption Prevention Officer, Protected Disclosures Coordinator and is a permanent invitee to the Risk and Audit Committee, which has an oversight role of Audit Branch activities.

The Annual Audit Plan is formulated using the corporate goals, strategic risks and governance issues and is endorsed by the Risk and Audit Committee and approved by the Director-General. During 2007/08 Audit Branch addressed 59 planned projects, 82 special projects and 18 special investigations. Some of the more significant projects were:

- business continuity planning
- management assurance framework for smartbuy® and NSW eTenders
- NSW Telecommunications Authority
- Registry of Co-operatives and Associations
- Measurement & Technical Services
- Newcastle Contact Centre
- legal policy and expenditure compliance
- recruitment
- procure to pay process
- accounts payable, receivables and fixed assets
- payroll
- annual credit card usage
- facilities management
- motor vehicle fleet usage
- investigations of alleged inappropriate conduct.

Other activities included:

- review of Commerce Business Ethics Statement
- advice and assistance to NSW Procurement direct negotiation policy
- development of Computer Assisted Audit Tools and Techniques (CAATTS) Strategy
- briefing on implications of findings from ICAC RailCorp enquiry for Commerce
- ongoing involvement and advisory services provided to: the ERP Program Steering Committee, Conduct and Ethics Committee, Corruption Prevention Network, and the implementation of recommendations arising from the performance review of the Internal Audit Capacity in the NSW public sector.

An independent quality assessment was performed on the operations of the Audit Branch by the Institute of Internal Auditors against the International Standards for the Professional Practice of Internal Auditing. The quality assessment concluded that the Audit Branch conducts its assignments in accordance with the Standards and, in most respects, could be considered as representative of better practice in internal auditing.

### *External audit*

During 2007/08, the Audit Office of NSW carried out comprehensive audits of Commerce's annual financial statements and associated financial systems.

The results of the performance audit on government advertising were received in late 2007 and the Government is considering Audit Office recommendations to improve transparency with respect to expenditure reporting including review and approval; process and issue updated guidelines.



Also during the year the Audit Office completed a performance audit on the April 2003 amalgamation and creation of a number of government agencies including Commerce.

The statutory audit report issued by the Auditor-General to Parliament (Volume 5 – tabled 28/11/2007) for 2006/07 identified the following:

- excess flexitime and annual leave balances (repeat issues) - management accepted the recommendations of the Audit Office and implemented procedures to address these issues including the movement of staff to a single flexitime agreement.
- engagement of long term contractors – a policy for the management of contractors was adopted in October 2007, and Audit Office accepts that the engagement of contractors is now adequately documented and is effectively controlled.

## Ethics and probity

### *Business ethics statement*

Commerce has a major role in the delivery of NSW government services, including procurement, construction, consumer protection and industrial relations. The Department is committed to promoting integrity, ethical conduct and accountability in all areas of public administration and, to do its job well, it relies on business partners and suppliers.

Just as Commerce expects its staff to behave ethically and comply with its Code of Conduct, it expects high standards of behaviour from firms and individuals that do business with it.

The Commerce Business Ethics Statement gives clear guidelines on how it expect its business partners and suppliers to behave and it tells them what to expect of it. All individuals and organisations that deal with Commerce must adopt these standards of ethical behaviour. The Business Ethics Statement is available on the Commerce website ([www.commerce.nsw.gov.au](http://www.commerce.nsw.gov.au))

### *Conduct and Ethics Committee*

The Conduct and Ethics Committee, formed 7 December 2005, continued to meet during 2007/08. The Committee's terms of reference are to:

- provide a central repository for conduct and ethics incidents, within the bounds of confidentiality and due process
- monitor the status of grievances, investigations, and disclosures in relation to meeting key milestones and deadlines
- ensure correct process for conduct and ethic investigations is followed
- provide peer review of incidents from a human resources, legal and audit perspective
- recommend appropriate consultation with relevant stakeholders
- advise on appointment of external specialists for investigations
- provide strategic advice to the Director-General on request
- report trends in conduct and ethics across the Department back to the Risk and Audit Committee, with suggested remedial action
- ensure recommended action impacts and risks are adequately managed.

During 2007/08, the Committee met fortnightly to carry out its charter. Its members were:

- Glenn Smith, Director, Corporate Services & Review and Chair
- Marcia Doheny, General Counsel, Director, Legal and Governance
- Leanne Byrne, A/Executive Director, Director-General's Unit
- Charlie Sherlock, Chief Auditor, Audit Branch, Director-General's Unit

- Penny Hume, General Manager, People, Performance + Development.

The activities and findings of the Conduct and Ethics Committee are reported as standing items to the Risk and Audit Committee.

### *Code of Conduct*

This code is a statement of the Department's collective commitment to maintaining the highest ethical standards of behaviour. It applies to all individuals employed, appointed or otherwise engaged to work in the Department. This includes permanent, temporary and casual staff, as well as consultants, contractors and agency staff engaged to perform work for or on behalf of the Department. A deliberate act breaching this Code of Conduct, or the Department's policies referred to in this Code, may constitute 'misconduct' under the *Public Sector Employment and Management Act 2002*.

The Code of Conduct is closely linked with Commerce's mission and corporate values. A copy of the Code can be found on the Commerce website ([www.commerce.nsw.gov.au/About+Commerce](http://www.commerce.nsw.gov.au/About+Commerce))

## Accessing information

### *Legislative Council resolutions calling for papers under Standing Order 52*

During 2007/08 Commerce responded to two resolutions of the Legislative Council calling on the Government to table all documents. The resolutions identified Commerce in relation to the following:

- Yasmar Estate at 185 Parramatta Road, Haberfield - conservation, lease or disposal of any part of the site.
- Stein Report on the review of the *Occupational Health and Safety Act 2000* and the Occupational Health and Safety Amendment Bill 2006,

### *Freedom of Information*

The Department received 223 Freedom of Information (FOI) applications during the year under the *Freedom of Information Act 1989*, (FOI Act).

There were 15 applications brought forward from 2006/07, making 238 applications to be processed. Of these:

- nine applications were transferred to other agencies
- 20 applications were withdrawn at the applicants' request
- six applications were carried forward to the next reporting period
- 136 were granted full access
- 25 were granted partial access
- 17 were refused access.
- 18 notices were issued confirming no documents were held.
- seven applicants failed to pay processing charge advance deposits.

During 2007/08 ten personal applications were received, one was brought forward making a total of 11 to be processed. No applications were withdrawn and of the 11 required to be processed ten applicants were granted full access and one was partial access.

Of the 178 determinations made during the year, 136 provided full access, 25 granted partial access and 17 were refused access to information held by Commerce. In the previous year, 163 determinations were made, resulting in 105 with full access, 43 partial access and 15 were refused access to information held by Commerce. Overall, the level of access granted to applicants remained the same as the previous year reflecting the Department's ongoing commitment to the objects of the FOI Act.

There were five internal review applications received during the year compared to the same number in the previous year. Of the five processed, four determinations were upheld and one decision was varied.

The Ombudsman's Office conducted no reviews this financial year.

There was one appeal before the Administrative Decisions Tribunal during 2007/08 and it was transferred to the State Archives Authority of NSW for processing. The appeal was dismissed.

Freedom of Information statistical information complying with Appendix B of the Freedom of Information Manual is shown in Appendix 9 - Freedom of Information.

### **Freedom of Information – Statement of Affairs**

The FOI Act gives the public the legal right to:

- obtain access to information held by the department
- request amendments to records of a personal nature that are inaccurate
- appeal against a decision not to grant access to information or to amend personal records.

Under the FOI Act, the department is required to publish an annual Statement of Affairs. This annual report includes all the requirements of the department's Statement of Affairs, including the structure and functions of the Department: how these functions affect the public, the kind of documents the department holds: and how members of the public may access and amend the department's documents.

### **Programs and activities**

The structure and functions of the department and how these functions affect the public are detailed elsewhere in this annual report. Information on the Department's programs and activities, publications and its policies can also be found on the Commerce website ([www.commerce.nsw.gov.au](http://www.commerce.nsw.gov.au)).

### **Documents held**

The Department holds the following categories of documents:

- policy documents and correspondence
- documents on internal administration
- policy, minutes and correspondence to/from boards and committees
- policy documents and correspondence concerning grants, agreements and contracts.

Under the *Privacy and Personal Information Protection Act 1998*, the Department holds certain classes of personal information as shown below.

### **Accessing the Department's documents**

Policies and publications can be accessed in several ways:

- Summary of Affairs published in the *NSW Government Gazette No 77* of Friday, 27 June 2008
- Internet [www.commerce.nsw.gov.au](http://www.commerce.nsw.gov.au)
- Freedom of Information coordinators (see below).

### **Accessing and amending the department's documents**

Requests under the FOI Act for access to documents held by the Department are the responsibility of the department's Freedom of Information coordinators.

Applications for access to documents under the provisions of the Act must be in writing, either on an application form or by letter, accompanied by the \$30 application fee and directed to:

Commerce	Fair Trading	Industrial Relations
The FOI Coordinator	The FOI Coordinator	The FOI Coordinator/Executive Officer
Department of Commerce	Office of Fair Trading	Office of Industrial Relations
Level 22, McKell Building	P O Box 972	Level 23, McKell Building
2-24 Rawson Place	Parramatta NSW 2124	2-24 Rawson Place
Sydney NSW 2000	Tel: (02) 9895 0362	Sydney NSW 2000
Tel: (02) 9372 8720		Tel: (02) 9020 4505

Freedom of Information application forms may be obtained by contacting the Freedom of Information coordinators who can assist with completion of the application.

### Processing a Freedom of Information request

The Freedom of Information coordinators will acknowledge the request and decisions on access are normally made within 21 days. If the processing time has to be extended, the coordinators will keep the applicant informed about the progress of their application. The applicant may be required to clarify the request and sometimes a request may be referred to another department if the request is more closely connected to the functions of that department.

Occasionally, a request may be refused if the document is held to be exempt under Schedule 1 Part I of the FOI Act. The departmental FOI Determining Officers will provide reasons why the document is exempt in an "access decision" letter. If the request is refused, the applicant has rights of appeal and may apply for an "internal review" of the decision. Reviews by the Ombudsman and further appeals to the Administrative Decisions Tribunal can also be made under the FOI Act.

### Charges for access

Charges for access to documents are set out in the table below. There is a 50 per cent discount for holders of a Pensioner Health Benefits Card, for people who can demonstrate financial hardship or if the document was accessed in the public interest.

### Privacy management

The *Privacy and Personal Information Protection Act 1998* (the Privacy Act) introduced a set of binding privacy standards for the New South Wales public sector. These standards, known as information protection principles, regulate the way public sector agencies deal with personal information in relation to its collection, storage, use and disclosure.

All Commerce offices have privacy management plans that set out the policies and practices adopted to ensure compliance with the legislative provisions as well as establishing procedures to deal with complaints about its conduct and the disclosure of personal information held on public registers. These plans have been lodged with the Privacy Commissioner and the Attorney General has approved any Code of Practice related to Commerce's operations. Copies of these documents and further information about the Privacy Act are available to the public on request.

Individuals can apply under the Privacy Act for access to personal information held by Commerce. A complaint, or internal review, can be lodged if a person believes the Department has breached an information protection principle under the Privacy Act or its Code of Practice.

### Codes of practice

A Code of Practice is in place that modifies the application of the Privacy Act for the Office of Fair Trading. The Code of Practice authorises non-compliance with the information protection principles where they prevent OFT from carrying out its functions. OFT is also covered by the provisions of the

Investigation Code of Practice, the Code of Practice for Inter-agency Transfers of Information and the Privacy Code of Practice for the NSW Public Sector Workforce Profile.

### **Applications made under the Privacy Act 2007/08**

There were no access applications received and there were no appeals to the Administrative Decisions Tribunal during 2007/08.

### **Fees and charges**

The current privacy management plans provide for the payment of an application fee of \$30 (plus GST). The fee is applicable to requests for access to personal information, which may be held by the department.

A processing charge of \$30 per hour (plus GST) is applied after the first 20 hours of work. No fees or charges apply for applications for reviews under Part 5 of the Privacy Act.

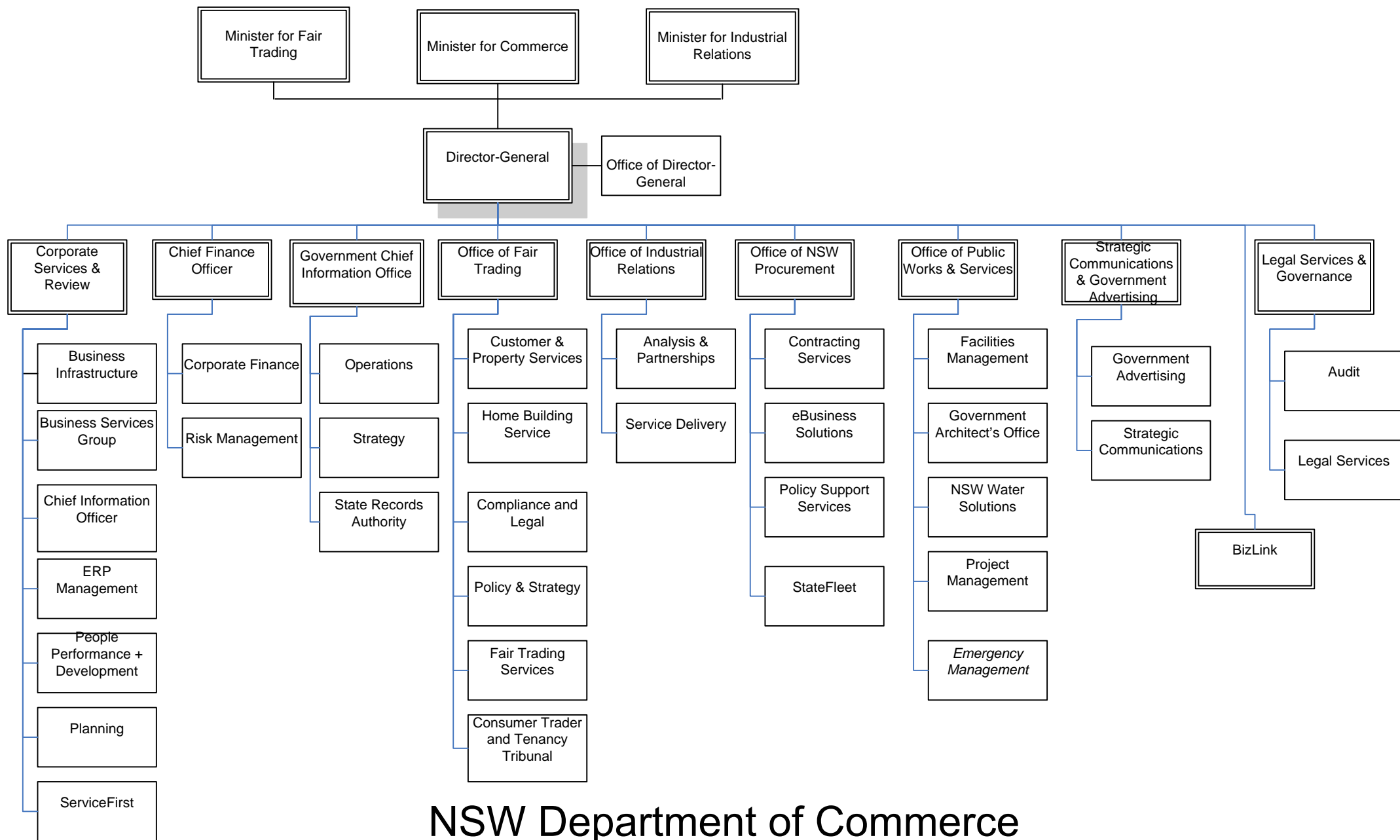
Further information can be obtained from:

Commerce	Fair Trading	Industrial Relations
Privacy Coordinator	Privacy Coordinator	Privacy Coordinator
Department of Commerce	Office of Fair Trading	Office of Industrial Relations
Level 22, McKell Building,	1 Fitzwilliam Street	PO Box 847
2-24 Rawson Place	Parramatta NSW 2150	Darlinghurst NSW 2010
Sydney NSW 2000		

---

NSW Department of Commerce Annual Report 2007/08

**People and Organisation**



**Note**

Names in *italics* indicate a key function performed in the structure.  
They do not necessarily represent a business unit..

## Organisational change

### Shared corporate services

In November 2007 three separate shared service businesses were integrated to form ServiceFirst, the largest shared services group in the NSW public sector. The businesses were:

1. Corporate Shared Services which transferred to Commerce from the former Department of Natural Resources in April 2007
2. Central Corporate Services Unit
3. Shared Transactional Services within Commerce's Corporate Services & Review Division.

During 2007/08, a new structure was put in place to support the creation of ServiceFirst.

Through ServiceFirst, over 80 clients throughout New South Wales have access to corporate shared services in finance, human resources, IT and business support.

With over 550 staff, ServiceFirst brings together an enormous wealth of experience and knowledge in shared services to support client objectives, connect clients with business information and deliver value.

After a review of internal human resources services and needs, strategic human resources expertise was brought together in the newly created People, Performance + Development. This brings together the business units of Organisational Development, Employment Relations and Policy and Performance. The team supports business units by providing frontline human resources consultants, training, graduate recruitment and policy and industrial relations advice. It provides a whole of department approach to the delivery of human resources practices and solutions, offering expert assistance, strategic advice and innovative business outcomes for Commerce clients.

### Creation of Legal & Governance Division

In January 2008, the functions of legal, risk, governance and audit were brought together in one division within the responsibility of the General Counsel, Director Legal and Governance. The purpose of this structural change was to strengthen the overarching governance of Commerce by creating clear accountability for these functions in one position and by increasing the opportunities for integration of Commerce's governance, risk, audit and legal issues.

### Other changes

In 2007/08, some changes were made to Commerce's organisational and reporting structures, as a result of which:

- the Government Chief Information Office ceased to be part of NSW Procurement and now reports directly to the Director-General of Commerce
- StateFleet became part of NSW Procurement and ceased to be a division of the Office of Public Works and Services
- Government Advertising ceased to be part of NSW Procurement and became part of the newly formed Strategic Communications and Government Advertising unit, which reports directly to the Director-General of Commerce
- The State Records Authority, which formerly reported to the Minister for Commerce through NSW Procurement, now reports through the Government Chief Information Office.

There were no changes to the responsibilities of these offices and divisions as a result of the change in reporting arrangements.



## Commerce Executive 30 June 2008

### **John Lee**

#### **Director-General, Department of Commerce**

John Lee was appointed Director-General of the Department of Commerce and Chair of the State Contracts Control Board in August 2007. He previously was Chief Executive Officer of the State Transit Authority and Director-General of Ministry of Transport.

John is the NSW President of the Institute of Public Administration, and is a member of the Advertising Standards Board, Parramatta Stadium Trust and the Mary MacKillop Foundation. He is committed to delivering services to the public and seeks to energise organisations to ensure this goal is achieved.

### **Lyn Baker**

#### **Deputy Director-General and Commissioner for Fair Trading**

Lyn Baker was appointed Commissioner for Fair Trading on 8 November 2005. She has worked in the NSW public sector for over 20 years, including senior executive roles with the Attorney-General's Department, the Department of Housing, and the NSW Public Service Board. Lyn's career focus has been on organisational development and customer service. Prior to her appointment as Commissioner for Fair Trading she was Assistant Commissioner, Customer and Property Services for three years. During her seven years at Fair Trading, Lyn has held various senior strategic roles involving licensing, compliance and customer service.

### **Brian Baker**

#### **Acting Deputy Director-General, Office of Public Works and Services (January – June 2008)**

Brian Baker joined Commerce in April 2004. He has over 30 years' experience in developing and delivering major infrastructure projects. A significant component of his career has related to the delivery of public infrastructure, including water supply, sewerage, bulk material export, transport, education, and health. Brian also worked for six years for non-government entities, including a major engineering and construction company, and in various consulting engagements.

### **David Callahan**

#### **Deputy Director-General, NSW Procurement**

David Callahan was appointed to his role in May 2008. David has prior government and commercial experience, having spent three years as the General Manager-North, State Transit Authority, and a number of years in Australia and New Zealand with Coca-Cola Amatil. He has a Masters of Business Administration and Diploma from the Australian Institute of Company Directors and Bachelor of Arts.

### **Paul Dexter**

#### **Chief Financial Officer**

Paul Dexter joined Commerce in January 2008. He has broad commercial experience providing strategic and financial advice and driving organisational performance management and change within large organisations. Paul has worked as a CFO and consultant in the private sector electricity, manufacturing and distribution markets in Australia and New Zealand. His recent public sector experience was as Chief Financial Officer for WorkCover NSW and Director Financial Services for Queensland Government Shared Services.

### **Marcia Doheny**

#### **Director, Legal and Governance**

Marcia Doheny joined Commerce in 2003 after an extensive career as a lawyer in private practice and for a number of government agencies in NSW, South Australia and the UK. In NSW, she has worked with the Department of Corrective Services, Director of Public Prosecutions, Environment Protection Authority, National Parks & Wildlife Service and Department of Planning. In addition to managing legal services for Commerce, Marcia also has responsibility for Commerce's governance and risk functions.

### **Pat Manser**

#### **Deputy Director-General, Office of Industrial Relations**

Pat Manser was appointed Deputy Director-General of the former Department of Industrial Relations in June 2001. She joined the Department in 1998 after working at the Australian Broadcasting Authority. Formerly, Pat worked for the New South Wales Board of Adult Education, taught business administration in NSW TAFE and was a Research Editor for the Macquarie Dictionary.

**Alun Probert****Director, Strategic Communications and Government Advertising**

Alun Probert has over 25 years experience in the media and marketing industry, both in Australia and overseas. After graduating with an Honours degree in Communications and post-graduate Diploma from the British Institute of Marketing, Alun's career started in radio then local newspapers before moving in to the world of publishing where he was responsible for the launch of a range of best selling magazines including *FHM* and *OK* in Australia.

Prior to joining the Department of Commerce in 2005 as Group General Manager of Government Advertising, Alun spent a number of years establishing his own training and marketing consultancy with international clients in Dubai, Turkey, the UK and Australia.

Alun was appointed to his current role in February 2008. He was recently appointed to the board of Ad School, the training arm of the Advertising Federation.

**Emmanuel Rodriguez****Government Chief Information Officer**

Emmanuel Rodriguez was appointed to the position of Government Chief Information Officer in November 2007. Having demonstrated experience at the highest levels within the global financial services industry, he has led the significant modernisation and benefits achieved by the Chief Information Officer Executive Council since his appointment. Emmanuel began his career as the Chief Information Officer of Société Générale Investment Bank in Tokyo and went on to become its global Chief Information Officer, a role in which he successfully implemented a single trading platform across 52 countries, rationalising Société Générale's ICT systems in the Asia Pacific region. In 2002, he returned to the Asia Pacific region as the Asia Pacific Chief Information Officer of the Prudential group (UK). During his time with the Prudential group, he streamlined the wealth management ICT platform/services onto a centralised services hub while initiating the insurance businesses systems consolidations across 12 countries and 25 operations within two hubs in Malaysia and China.

**Glenn Smith****Director, Corporate Services and Review**

Glenn Smith joined Commerce in April 2007 following the transfer of the Department of Natural Resources shared corporate services staff to Commerce, and was permanently appointed to the role of Director Corporate Services & Review in November 2007.

Prior to joining the Department, Glenn was the Executive Director Corporate Services for the former Department of Natural Resources. Glenn has a wealth of experience in the NSW public sector gained over 35 years. His previous roles include Executive Director Corporate Services in DIPNR, Executive Director Zoological Parks Board of NSW and Group General Manager, Business Services in the Roads and Traffic Authority.

**Changes to Executive in 2007/08***New appointments***John Lee**

Position: Director-General  
Appointed: 23/08/07

**David Callahan**

Position: Deputy Director-General, NSW Procurement  
Appointed: 5/05/08 (Acting from 19/11/07)

**Paul Dexter**

Position: Chief Financial Officer  
Appointed: 21/01/08

**Marcia Doheny**

Position: Director, Legal and Governance  
 Appointed: 18/04/08

**Alun Probert**

Position: Director, Strategic Communications & Government Advertising  
 Appointed: 18/02/08

**Emmanuel Rodriguez**

Position: Government Chief Information Officer  
 Appointed: 01/11/07

*Transfers***Alan Marsh**

Level: SES 6  
 Position: Deputy Director-General, Office of Public Works & Services  
 Remuneration: \$284,894  
 Last Day Service: 31/1/08

**Paul Hopkins**

Level: SES 5  
 Position: Deputy Director-General, NSW Procurement  
 Remuneration: \$272,770 (including recruitment allowance)  
 Last Day Service: 19/11/07

**Senior executive service remuneration****Lyn Baker**

Position: Commissioner, Office of Fair Trading  
 Level: SES 6  
 Remuneration: \$277,000

*2007/08 highlights*

- Finalised a major review of Fair Trading's compliance and enforcement area resulting in a restructure of the area which will now be called Compliance and Legal Services Group
- Co-ordinated ConnectingNSW as the NSW Government's central phone service
- Finalised the Fair Trading Executive Team Development Program
- Successful implementation of two further licence types on the Government Licensing System, including the high-volume Home Building Licensing.

**Brian Baker**

Position: Group General Manager, Project Manager  
 Level: SES 5  
 (Madi McLean, Forster Rayward, Greg Philippe, Gary Kennedy and Graham Watt acted February-June 2008 while Brian Baker was Acting/Deputy Director-General, Office of Public Works and Services, SES 6 Remuneration: \$277,087)

*2007/08 highlights*

- Contributed to the development of the Office of Public Works and Services as a centre of excellence for capital assets design, delivery and maintenance

- Helped develop and maintain public infrastructure by assisting agencies to plan, design and deliver building and engineering projects to the value of approximately \$1 billion while achieving an on time delivery of 91.5 per cent and 89.5 per cent of projects on budget
- Continuation of the graduate development program and cadetships to maintain government expertise in areas of skill shortage including asset management, engineering and architecture
- Minimised the risk for government on Commerce managed projects by achieving a loss time injury frequency ratio 80 per cent better than industry average
- Provided commercial services to government agencies to help them maximise value, minimise the cost and manage the risks in the services they provide to the community achieving a client satisfaction rating of 88.5 per cent for service delivery.

**David Callahan**

Position: Deputy Director-General, NSW Procurement  
Level: SES 5  
Remuneration: \$251,600 (including recruitment allowance)  
Appointed: 05/05/08 (acted from 19/11/07))

*2007/08 highlights*

David has positioned NSW Procurement as a centre of excellence in government procurement, delivering value and probity, efficiently and effectively.

He led the implementation of a new client focused business model incorporating five distribution channels to promote the access and use of NSW Procurement products and services by agencies, as a result of which:

- The spend through the State Contracts Control Board contracts in 2007/08 was \$3.64 billion
- NSW eTendering provided a complete electronic tendering process that is standard for all government organisations and grew by 178 per cent on the last year. In 2007/08, 3,281 government tenders were published on the eTendering system, compared to 1,841 tenders in 2006/07. Forty agencies had implemented NSW eTendering as their eSourcing solution of choice by the end of the reporting year.
- In 2007/08 the use of smartbuy® increased significantly. Orders valued at \$359 million were placed (up from \$224 million in 2006/07). More than 67,000 purchase orders were placed through the system, compared to 44,000 in 2006/07.

**Paul Dexter**

Position: Chief Financial Officer  
Level: SES 5  
Remuneration: \$230,000  
Appointed: 21/01/08

*2007/08 highlights*

- Implemented advanced performance management capabilities (KPIs and executive dashboards) across all business units to support strategy, program implementation and service targets
- Developed and implemented a finance function strategy addressing best practice financial management, processes and technology
- Completed the 2008/09 budget process and established a new approach towards future planning, budgeting and forecasting
- Introduced a new financial project management review cycle to optimise capital expenditure across Commerce
- Introduced capital expenditure planning with regular tracking and evaluation links to rolling forecasts.

**John Lee**

Position: Director-General  
 Level: SES 8  
 Remuneration: \$385,060  
 Appointed: 23/08/07

*2007/08 highlights*

- Provided expert advice to the Minister for Commerce and Minister for Roads on a range of issues across areas with the responsibility of the Department of Commerce
- Implemented strategic changes to Commerce's operations and leadership team and lead the senior executive in the implementation of cultural reform across the Department
- Gained a comprehensive understanding of client agency needs and encouraged the leadership team to commit internally to driving better outcomes and being a more efficient agency
- Managed the successful implementation and movement of staff to a single flexitime agreement to help with the management of excess flexitime and annual leave balances.

**Peter Mould**

Position: Government Architect and General Manager, Government Architect's Office  
 Level: SES 5  
 Remuneration: \$219,704

*2007/08 highlights*

- Provided expert advice to levels of government on city planning and architecture through representation on Sydney Olympic Park Design Review Panel, Transport Infrastructure Development Corporation Design Review Panel and City of Sydney Design Advisory Panel
- Reduced greenhouse gas emissions and improved efficiency of electricity use through energy management advice and monitoring for government agencies
- Influenced and supported architectural issues through representation on NSW and Heritage Approvals Committee and Opera House Conservation Committee, Chair of the Australian Institute of Architects (NSW) Awards Jury
- Applied environmentally sustainable design principles to government buildings and assisted in the management of designs for major capital works for schools, police stations and courthouses.

**Pat Manser**

Position: Deputy Director-General, Office of Industrial Relations  
 Level: SES 5  
 Remuneration: \$243,152

*2007/08 highlights*

- Providing advice and ideas to Minister for negotiations with federal government about the unitary industrial relations system  
 Results: Initiation, conduct of consultation process and support for Professor George Williams' Inquiry into Options for a new National Industrial Relations System.
- Membership of High Level Officers Group established by the Workplace Relations Ministers' Council, to consider the Inquiry report and the content of Forward with Fairness.
- Providing leadership to other states and territories for purposes of dialogue with the Federal Government  
 Results: Coherent points of view on major issues of Forward with Fairness and governance principles for federal negotiations.

- Ensuring compliance programs for New South Wales inform and educate the public about their rights and responsibilities  
Results: 13,000 inspections carried out using data about low complying industries or sectors. Clubs and child employment were a specific focus for this year reaching 3,500 employers and 27,000 employees).
- Contributing to elements of the State Plan: customer satisfaction; ageing/carers' strategy; youth unemployment strategy  
Results: Work with Business Chamber and specific employers on carers' strategy. Child employment legislation - obligations and rights - promoted through websites, a video competition, visits to schools/TAFEs.
- Creating and sustaining collegiate culture within the OIR and with other colleagues in Commerce; other NSW departments' and other states' industrial relations officials  
Results: Re-established relationships with Department of Education, Employment and Workplace Relations, Department of Immigration and Citizenship, Australian Taxation Office; Fair Trading, WorkCover and other states' industrial relations officers re federal arrangements.

#### **Alan Marsh**

Position: Deputy Director-General, Office of Public Works & Services  
(Brian Baker Acting February-June 2008, Remuneration \$277,087)

Level: SES 6

Remuneration: \$284,894

LDS: 31/1/08

#### **Patrick Richards**

Position: Managing Director, NSW Businesslink

Level: SES 5

Remuneration: \$253,500

The Minister has authorised the Chair of the Board of Businesslink to conduct the performance review of the Managing Director, Pat Richards. The Chair, Jan McClelland, has indicated her satisfaction with Pat's performance through the year, having successfully met his objectives and achieved the outcomes required. Achievements include:

- Continued improvement in the shared services offering, including service delivery, fiscal disciplines, governance and risk assessment
- Strengthening of the fee-for-service regime to more effectively manage costs and ensure fiscal sustainability
- Development of a contemporary capability in data storage management to meet growing client demand and business needs.
- Development of an enterprise application integration strategy
- Commencing the development of a "procurement to pay" strategy
- Operationalising the 'hire to retire' service offering
- Ongoing human resource development including implementation of the Graduate Recruitment and Development Program
- Continuing the building of 'centres of capability', particularly in software applications and taxation
- Effective management of business continuity, including the development of a comprehensive data centre risk mitigation strategy.

**Emmanuel Rodriguez**

Position: Government Chief Information Officer  
Level: SES 6  
Remuneration: \$300,000 (including recruitment allowance)  
Appointed: 01/11/07

*2007/08 highlights*

- Initiated and delivered programs that will ease the day to day operations of individual agencies through the implementation of the NSW Government's ICT Strategy, *People First*
- Helped agencies support their business case submissions to Treasury through the Chief Information Officers' Executive Council and its relevant sub-committees
- Led, coached and developed GCIO staff to ensure effectiveness in operating and delivering objectives of the People First strategy. When required, lead and coach Chief Information Officers (CIO) from other agencies to help them gain higher profile within their organisation and obtain due recognition when their objectives are met
- Led the NSW CIO Executive Council to an efficient and relevant decision making board
- Facilitated and led several whole-of-government initiatives that will generate efficiencies and savings to NSW Government agencies
- Ensured that *People First* is on track to deliver savings and efficiencies identified in the ICT strategy as agreed by the relevant CIO Sub-Committee and Treasury
- Progressed the delivery of the *People First* programs.

**Glenn Smith**

Position: Director, Corporate Services and Review  
Level: SES 5  
Remuneration: \$253,483

*2007/08 highlights*

- Glenn drove a number of organisation reform initiatives during the year including the creation of the new ServiceFirst shared services business
- Additionally, new structures were created to "embed" human resources services within businesses and create the new strategic human resources group, People, Performance + Development
- A comprehensive Learning and Development program was created this year, which aims to maximise human resource potential over the next 12 months and beyond
- Implementation of the SAP ECC6 framework was further refined along with the technical upgrade of the previous Department of Natural Resources SAP R/3 application. Glenn also led the integration of SAP development programs through the creation of a new ERP management group
- Commerce's IT network and core applications were significantly improved through an initiative for the centralisation of data centres which reduces risks, improves reliability, standardises infrastructure platforms and consolidates Commerce business systems. The McKell Building data centre fit out proceeded to plan and was completed this year
- A major capital development project titled "Our Workplace Program" was established to create a contemporary working environment that is flexible, sustainable and professional for staff in the central business district head office and other locations.

**Rodney Stowe**

Position: Deputy Commissioner, Office of Fair Trading

Level: SES 5

Remuneration: \$245,042

*2007/08 highlights*

Successfully managed all aspects of Policy & Strategy Division responsibilities and role of Deputy Commissioner for Fair Trading - in particular:

Performance agreement criterion: Goal 2 Simplify processes for dealing with government

- ensured the provision of a full range of quality education and information products and initiatives for consumers and traders in New South Wales
- 87% of customers surveyed agreed that Fair Trading services are simple and uncomplicated, exceeding the target of 85%

Performance agreement criterion: Goal 3 Promote a fair marketplace for consumers and traders

- instrumental in achieving support among the Commonwealth, states and territories for a new national product safety scheme while safeguarding the rights of consumers
- strongly and successfully advocated joint jurisdictional enforcement model for the proposed national consumer protection framework to maintain the demonstrated value of local information, education and dispute resolution delivery and compliance services to consumers and traders

Performance agreement criterion: Goal 5 Contribute to a credible, efficient and effective organisation

- successfully delivered the Fair Trading legislative program to the satisfaction of the Commissioner and Minister and meeting all Parliamentary and Cabinet time frames
- guided and contributed to the development and direction of Fair Trading policy at local, inter-jurisdictional, ministerial council and other national forums



## Employment statistics

*Table A (Full time equivalent)*

Category	At 30 June 2005 <sup>1</sup>	At 30 June 2006 <sup>1</sup>	At 30 June 2007 <sup>1</sup>	At 30 June 2008 <sup>1</sup>
Archivist			32.15	33.61
Chairpersons	6	6	6	4.00
Clerical Assistant	2	2	2	2.00
Clerical Officer	43	45.60	142.47	124.15
Clerk	2,613	2,517.03	3,029.13	3,071.70
Conservator	0	0	2.40	2.82
Legal Officer	24	24.30	26.30	24.90
Professional	232	244.83	243.55	239.54
Project	7	4	2.00	2.00
Senior Executive Service	55	44.80	48.8	51.60
Senior Management	62	50	46	41.60
Senior Officer	69	86.10	154.3	174.30
Technical	29	24.80	19.80	19.20
Wages	153	131	136.00	136.00
Librarian/Library Technicians			0	3.00
Other General Division			10.37	11.50
<b>Total</b>	<b>3,289<sup>4</sup></b>	<b>3,174.46<sup>4</sup></b>	<b>3,895.27<sup>4</sup></b>	<b>3,937.92<sup>2,3,4</sup></b>

### Notes Table A

1. Full time equivalent staff (excludes casuals, contractor/agency staff, statutory appointments, trustees, council committee members, staff on secondment to other agencies and staff on long term leave with out pay)
2. 125.92 of total are made up of Corporate Shared Services figures
3. 582 of total made up of NSW BusinessLink
4. Total does not include Chairpersons

*Table B (Headcount)*

Senior Executive Service positions by level	At 30 June 2006	At 30 June 2007	At 30 June 2008
8	1	0	1
7	-	0	0
6	2	2	3
5	8	7	7
4	5	11	10
3	15	17	13
2	10	9	9
1	4	3	3
<b>Total</b>	<b>46</b>	<b>49</b>	<b>46</b>
Positions filled by women	12	11	10
Unattached staff	1	0	0

Gerry Brus SES 4 not included in the above (seconded to World Youth Day Coordinating Authority from 20.8.07 to 20.11.08). Patrick Richards, Businesslink, SES 5 not included in the above.

## Employment relations policies and practices

An active program of consultation with unions and staff meant only three formal disputes went to the NSW Industrial Relations Commission in 2007/08. All were resolved through conciliation.

One of these disputes involved the department's determination to establish a common flexible working hour agreement across most of Commerce, replacing six different agreements. This required significant negotiations over a six-month period and was ultimately resolved by consent between the Department, employees and unions.

Other more general industrial relations activities included support for major restructuring programs in a number of Commerce business units including NSW Procurement, Office of Fair Trading, Corporate Services & Review, Office of Public Works and Services and the Government Chief Information Office.

Major employment relations projects included the integration of Corporate Shared Services from the former Department of Natural Resources and the commencement of negotiations for a new Commerce Wages Staff Award.

Commerce was also selected as a representative agency for inclusion in the negotiations associated with a new Crown Employees Salaries Award following the expiry of the current award. Several employees have provided affidavits for inclusion in any arbitrated award proceedings before the NSW Industrial Relations Commission.

### *Redeployment of displaced officers*

Significant efforts were devoted to the management of officers who had become displaced as a result of the major restructuring programs in Commerce.

Commerce continued a program of individual career coaching, case management support and structured in-house training to prepare displaced staff for vacancies in the public and private sector and appointed a dedicated career coach.

As a consequence of these and other recruitment initiatives, 13 displaced officers were redeployed into permanent positions during the year. At 30 June 2008, there were 29 displaced officers within Commerce. Of these 24 per cent were performing valuable work for Commerce or other NSW government agencies. The remaining officers were awaiting placement in either temporary or permanent positions, undertaking career coaching or were considering offers of voluntary redundancy.

### *Consultative programs and organisational wide initiatives*

Consultative programs continued with the major industrial stakeholders for Commerce, through either the Commerce Consultative Committee (for salaried staff) or the Joint Consultative Committee (for wages employees).

Local consultative committees also operated to exchange information on employment related issues in NSW Procurement, Office of Industrial Relations, Office of Fair Trading and State Records.

### *NSW sector wide programs*

During 2007/08, Commerce was again active in a broad range of sector-wide advisory committees, initiated by the Department of Premier and Cabinet. It was the lead agency in the Engineering Skills Shortage Working Party, and participated in the working group to look at shortage of accounting skills within the sector. Commerce was also a member of the Workforce Planning Advisory Committee, the Senior Employee Relations Network and the NSW Capability Framework Interagency Committee.

### *Graduate recruitment program*

The Commerce graduate program aims to attract talented graduates and develop their potential as Commerce's future leaders, managers and technical specialists.

In July 2007, the graduate program was reviewed and while Commerce continues to employ graduates, their professional development will be more tailored to the individual and their career path. At 30 June 2008, there were 32 graduates from disciplines that included architecture, engineering, building and construction project management and finance.

Through 2007/08, the graduates participated in a series of forums to address their professional development - business communication skills (including business writing and delivering presentations); business relationship management; job applications and interview skills; and leadership and management.

Additionally, Commerce participated in the NSW Public Sector Accountancy Fast Track Program and the Fast Track program sponsored by Department of Premier and Cabinet.

### *Workforce planning*

Commerce recognises that to achieve its purpose of supporting, connecting and delivering value, it needs the right people with the right skills in the right place.

To this end, Commerce developed a capability framework to underpin how we manage our people and how we develop a skilled, motivated and flexible workforce. The Department's core organisational capabilities are: accountability; communicating with influence; customer service; and working with, and leading, teams.

Strategies to enable Commerce staff to perform well, now and in the future, are formally incorporated in the Department's Workforce Planning Action Plan 2007-2010 that focuses on positioning Commerce as an employer of choice and recruiting skilled staff.

### *Human Resources Services Strategic Plan 2007- 2010 (People Strategy)*

The People Strategy focuses on critical issues that have an impact on the Department's current and future operations.

The People Strategy concentrates on six priorities:

- provide a quality human resource service to Commerce
- encourage and support the engagement, flexibility, and retention of the Commerce workforce
- our leaders at all levels champion Commerce, provide clear and consistent direction, and are accessible and visible
- we have the rights skills to do our jobs
- we have a safe and healthy workplace
- effective corporate communication channels across Commerce.
- learning and development.

During 2007/08, a range of initiatives were implemented as a best practice model of learning and development delivery. The model builds greater alignment between: learning and development; performance and capability development; leadership and management development; and their relationship with Commerce's business needs and strategic direction.

The Learning and Development framework identifies four categories of formal learning and development:

**Foundation programs** - corporately funded programs such as Performance Development Program, Code of Conduct, job application and interview skills, delivered by internal Learning and Development staff:

- Sixty eight Foundation programs were delivered, with 927 participants
- Performance Development Program training was delivered to over 700 management and staff. In 2007/08, an evaluation of the program started that will help guide future programs
- Format and content of the orientation program was reviewed. The focus of the new-look program shifted from relying solely on presentations by senior and/or relevant staff to a more participatory approach with attendees discussing issues arising in each of our program areas. The orientation program is now complemented by online induction
- Regular job applications and interview skills training was delivered both as a calendar course and for areas experiencing restructures. In response to a special request, there is now a similar course targeted at higher level management positions.

**Generic business skills** These are training courses on the training calendar which are relevant to all Commerce, such as computer training, communication skills, project management. Typically, these programs are provided by external providers, usually on Commerce premises. There were 47 programs during with year with 390 participants.

**Technical and specialist training** This category refers to learning and development sourced and delivered within the business units. This training forms a significant proportion of learning and development undertaken by Commerce staff.

**Leadership and management development** The aim is to build management and leadership capability of new and current managers in Commerce.

#### *Leadership Development Program*

In 2008, Commerce embarked on a substantial leadership and management development program, which represents a significant investment in our people and our organisation, ensuring we can step up to meet any challenges in the future.

The Leadership Development Program makes a range of development activities and opportunities available to managers and leaders according to their level in the organisation. It features a wide range of programs and activities to build capability and support progression from one level to the next. The program levels are:

- new manager (new managers and supervisors)
- business manager (business unit and/or functional manager)
- senior manager (group and/or divisional manager)
- executive (enterprise and/or group manager).

Development opportunities range from short courses; 8-12 month programs; formal education with qualifications; leadership forums; leadership mentoring; coaching; 360-degree feedback; organisational project work; on-line video programs and other contemporary approaches to building management and leadership capability.

### **New service delivery model**

This year Commerce strengthened human resource services to better meet the needs of internal clients. This was achieved by creating a number of human resources service centres that are located within the business units. With Learning and Development co-ordinators positioned in the service centres, a better understanding of issues in the business units will be gained, as well as providing a more accessible service to clients. This change in service delivery model will result in better alignment of learning and development services and products with business unit needs.

The further development and roll out of these initiatives over the coming year will continue to improve our ability to provide relevant and accessible learning and development. This in turn contributes to building organisational capability resulting in a positive impact on Commerce business results.

### **LearningBites**

Organisational Development continued to offer the LearningBites program, short information sessions designed to provide staff with a less formal opportunity to gain information relevant to their work and personal well-being.

## **Equity and diversity**

### *Our community*

Commerce made an active contribution this year towards achieving access and equity outcomes for staff and the community it serves.

Commerce has a diverse workforce, with a broad range of skills, knowledge and experience, which contributes directly to service delivery and business effectiveness. This diversity is important for an organisation whose core business is meeting the needs of government and the community.

Over the coming year, Commerce will continue to place greater emphasis on ensuring that equity and diversity principles are integrated into the way the Commerce plans for the services it delivers and for the needs of its current and future workforce.

### *Employment equity*

In 2007/08, Commerce continued to develop strategies that maximised opportunities for all staff and enhanced its standing as an employer of choice.

Commerce was successful in improving employees' knowledge and appreciation of equity and diversity principles. This was achieved through Code of Conduct training, raising awareness of diversity and equity to staff with customer service responsibilities, providing information on policies and

initiatives to staff with carer responsibilities and implementing a range of strategies to improve equity outcomes for staff.

Opportunities to act in higher positions and undertake secondments to other government agencies were supported by the Department as an important means of staff development.

In the reporting year, Commerce continued to progress employment equity outcomes for equal employment opportunity groups, namely, women, people of an Aboriginal and Torres Strait Island background, people with a disability, and people from a culturally and linguistically diverse background. Employment equity is now an integral part of workforce planning.

Commerce acknowledges that to address its future workforce needs and meet employment equity targets it has to draw on a wider talent pool, which includes members of equity groups. As such, its goals for the coming year will be to address gaps in how it attracts and retains talent from this section of the workforce.

### *Women*

The Women's Employment and Development Strategy focused on development of women in mid-grades and below. The development program, Xplore, was offered to women in grade 7/8 positions. A career management course was conducted twice for women in grades one to five, to help them to clarify and work towards their career goals. Additionally, a mentoring program for young women is being established in July 2008. The Spokeswomen's Program was reviewed and aspects of it were incorporated into the Women's Employment and Development Strategy.

Commerce provided feedback on the "Making the Public Sector Better for Women" strategy being developed by the Department of Premier and Cabinet.

The Office of Industrial Relations participated in community seminars and events throughout the year. As part of International Women's Day celebrations, the OIR presented two Women working in NSW information sessions to women job seekers, workers and women from culturally and linguistically diverse communities. The sessions provided information on workplace rights and entitlements, how to find out where to go for help if they were not being treated fairly, the services of the OIR, and explained the changes to the industrial relations system in NSW.

Commerce's main celebration of International Women's Day was held in Sydney. It focused on paid and unpaid work in the past 100 years and women working in non-traditional roles in Commerce spoke about their experiences. Some staff attended the UNIFEM breakfast in Sydney and others attended locally organised events across NSW.

### *People with a Disability*

Commerce has a strong commitment to giving people with a disability greater opportunities to share fully in community life. This commitment extends to creating a working environment in which people with a disability are fully included in all aspects of operations and service delivery.

Commerce's Disability Action Plan 2006-2008 continued to assist staff and customers with a disability in key areas such as access, learning and development, information about services, and employment. Activities this year included:

- donation by Extracar (StateFleet) of 16 station wagons to the NSW Wheelchair Sports Association for two weeks for a tennis tournament
- development of an audio resource by the Office of Fair Trading to help people with a visual disability understand their rights as consumers
- provisions of reasonable adjustments to employees with a disability through work and job redesign and provision of equipment
- purchase of specialised software through the Department of Education Technical Equipment Program

- provision of sign language interpreters at meetings to staff who are deaf or hearing impaired and provision of Telephone Typewriters (TTY's) in several operational areas to enable customers who are deaf or hearing impaired to access Commerce's services
- making a central source of funding available through the Commerce Reasonable Adjustment Corporate Fund to provide financial assistance to staff with a disability
- developing draft Disability Action Planning Guidelines and consulting on the draft version with members of the Commerce Disability Network
- sponsorship of the "Don't DIS My Ability" campaign to celebrate International Day of People with a Disability in December 2007 and hosting a morning tea at which Matt Laffin, a lawyer with the NSW Director of Public Prosecutions and a person with a disability, was the guest speaker
- representation on the Department of Premier's and Cabinet Disability Employment Reference Group.

### *Aboriginal and Torres Strait Islander People*

During 2007 /08, Commerce ensured its services were accessible to and supported Aboriginal and Torres Strait Islander communities.

#### **The Fair Trading website**

In revamping its website, Fair Trading consulted widely with consumers, traders and community groups, including the indigenous community, young people and multicultural communities with a view to improving the functionality of the site and, at the same time, bringing it into line with the NSW Government Website Style Directive. The Fair Trading website has a uniquely branded section containing information for indigenous communities.

#### **Aboriginal Action Plan**

A major strategy in the Aboriginal Action Plan is the employment of Aboriginal staff across New South Wales. In Fair Trading there are Aboriginal staff whose main role is to provide culturally appropriate face-to-face contact throughout indigenous communities to inform them of our services which they might not know about from other channels, particularly in the area of tenancy.

Additionally, Fair Trading developed a "Do's and Don'ts" document that provides helpful cultural information for staff that work with Aboriginal and Torres Strait Islander people.

#### **Joint Aboriginal Housing Services**

Fair Trading participated in the Joint Aboriginal Housing Services, a program run on the New South Wales North Coast that brings together a network of service providers to deliver relevant and up-to-date information to the Aboriginal community housing sector via workshops and forums. It focuses on property management principles, tenant rights and responsibilities.

#### **Family Fun Days**

The 4th Indigenous Family Fun Day was held at Dubbo in November 2007. In conjunction with other government agencies and community based organisations, Fair Trading provided information on a range of services available to the community. Over 500 people attended the Fun Day including students from five schools, pre-schools, day care centres, local elders groups and many families.

During NAIDOC celebrations at Port Macquarie, Fair Trading provided sponsorship and support to the local Inter-agency Indigenous Family Fun Day that attracted in excess of 3000 people.

### **Sponsorship of 2CUZ FM**

Fair Trading continued its sponsorship agreement with 2CUZ FM radio station Bourke, an Aboriginal owned and run radio station. The sponsorship, now entering its fifth year, includes daily Fair Trading messages targeting the local indigenous community.

### **Supporting community**

The OIR continued to provide advice and information on employment matters to employers, employees and land councils through: community forums; the newsletter *Two Rivers*; and providing updates to the employment manual *Aboriginal and Torres Strait Islander Employment Information Kit*.

The Indigenous annual conference this year had a focus on strategic planning with key speakers from Department of Premier and Cabinet to discuss "A New Way of Doing Business" and Department of Aboriginal Affairs to discuss "Two Ways Together"

The Office of Public Works and Services sponsored an annual prize for one Indigenous student in the Australian Indigenous Engineering Summer School.

Commerce, in conjunction with the Department of Aboriginal Affairs, supported the new category of Government Contracting in the 2008 Aboriginal Employment and Business Awards.

### **Indigenous employment in Commerce**

Commerce's Aboriginal Employment Strategy 2005 – 2008 continued to deliver employment outcomes for people of an Aboriginal and Torres Strait Islander background. Commerce continued to support seven Aboriginal cadets, one of whom graduated with a Bachelor of Commerce.

This year, Commerce recruited people of an Aboriginal and Torres Strait Islander background in a range of positions across the State that included: Aboriginal customer service officers in regional areas, administration support officers, carpenters and project research officers.

### ***Rural, remote, and regional***

The OIR continued to provide a statewide program of workshops and short courses for employers to assist them to understand how the current industrial relations legislation affects their business and understand their workplace responsibilities. The workshops also helped employers to develop and implement strategies to manage staff, develop workplace policies and retain skilled employees.

The Regional Access Program provides consumers and traders in rural, regional and remote centres with access to Fair Trading services. The Program also specifically targets disadvantaged people including seniors, youth, the disabled and indigenous communities through talks and information sessions at community clubs and associations, local schools, indigenous organisations, retirement villages and seniors expos.

Regional Access Programs are conducted in selected regional towns each year. Community, business and consumer groups are invited to attend seminars on specific aspects of fair trading legislation. Inspectors conduct compliance inspections and Aboriginal Liaison Officers attend and give seminars for their communities. To increase the effectiveness of these programs Fair Trading introduced Super RAPs, in which each business area participates. This year Super RAPs were conducted in Albury, Forster, and Coffs Harbour.

### ***Youth***

The OIR developed and introduced the 'know the deal' video competition to help students learn about their rights when starting their first job and encourage them to have fun and be creative in the learning process.

The competition, being run through NSW high schools, meets the learning outcomes from the Year 7 - 10 commerce curriculum for employment issues. The competition invites students to get creative and produce a video that will appeal to their friends and fellow students, is no longer than two minutes in



length, covers an important message about workplace rights and promotes the OIR's Young People at Work website ([www.youngpeopleatwork.nsw.gov.au](http://www.youngpeopleatwork.nsw.gov.au))

The OIR continues to work closely with Fair Trading and educational outlets to assist young people to better understand their workplace rights. This includes promotion of the *Money Stuff! Work Smart* curriculum-based high school resource package and the development of the new Fair Trading interactive educational tool for Years 7-10 promoting consumer rights and workplace rights issues.

The OIR delivered an extensive range of presentations to young apprentices and students at TAFE colleges and high schools throughout NSW providing information on workplace rights and responsibilities.

The *Industrial Relations (Child Employment) Act 2006* established a safety net based on state awards and industrial legislation and provided access to unfair dismissal for young workers employed under the federal system. The OIR inspectors regularly conducted checks on employers across NSW to provide an understanding of the Act and ensure they were meeting their obligations.

### **YouthSCAN**

The launch of Fair Trading Week was the setting for the release of the findings of the 2007-2008 YouthSCAN survey, a national look into the attitudes and behaviours of young people in Australia aged 10-17 years. As a major sponsor of YouthSCAN 2007, Fair Trading secured the right to release the portions of the survey dealing with mobile phone use, shopping habits, computer and Internet use, money and financial literacy, and youth employment.

### **2007 Money Stuff Challenge**

Fair Trading's competition for high school students, the *Money Stuff Challenge*, went from strength to strength in 2007, almost doubling the number of entries received in 2006. In all, 1,762 NSW students entered the Challenge. Students were asked to create an innovative way of promoting a consumer message. The aim of the competition was to raise awareness about consumer issues and to help young people become better informed and independent consumers.

The complete Money Stuff education resource concentrates on areas where young people are at risk of making ill-considered purchasing decisions such as buying a car, selecting a mobile phone, entering into credit contracts and moving into rental accommodation. The program includes a website, video and teacher books in English, maths and commerce. The winners of the Money Stuff competition were announced at a special youth forum at Parliament House during Fair Trading Week.

### **Interactive shopping mall**

As part of its continuing commitment to provide innovative and engaging resources for young people and their teachers to help them improve their consumer and financial literacy, Fair Trading commenced work on an interactive online game. Designed as a web-based resource in the form of a virtual shopping centre, young people will be introduced to the concepts of consumer and employment protection through a series of games and missions. The interactive game is being developed in partnership with the Department of Education and Training, the Office of Industrial Relations and WorkCover.

### **Regional Tenancy Youth Strategy**

The Regional Tenancy Youth Program was presented by Fair Trading in conjunction with the Regional Youth Support Service in Gosford. The program addressed areas of tenancy, financial literacy and obtaining a driving licence. It consisted of six information sessions that addressed the major difficulties experienced by today's youth.

## Ethnic Affairs Priority Statement – Future strategies

Commerce continued to implement initiatives set out in its three-year EAPS Plan 2005-2008, comprising strategies to improve outcomes for people from diverse cultural and linguistic backgrounds, and to work towards achieving the goals set out in the Plan.

A new plan is currently being developed to cover the next three-year period. Over the coming year Commerce will:

- continue to implement appropriate education, community awareness, consultation, liaison and communication strategies
- continue to provide appropriate language assistance
- investigate a data collection process to measure use of services by people from diverse cultural and linguistic backgrounds
- review procedures and guidelines for advisory boards and committees, tendering procedures and funded or contract services.

### *Consultation, liaison and communication*

Ongoing consultation and liaison at a local and regional level with a variety of multicultural, ethno-specific and community groups contributed to the development of a range of appropriate communication strategies. A range of translated information is available online and in print format.

The OIR community relations communication plan provides information on workplace rights and responsibilities to culturally and linguistically diverse communities. The initiatives include building relationships with communities, participation in a range of community events and meetings, and the development of translated resources and educational materials in key community languages. OIR continued to enforce the Ethical Clothing Trades Extended Responsibility Scheme by giving retailers' information on their obligations in relation to Outworkers across NSW.

Translations of information on the Fair Trading website were made more accessible to culturally and linguistically diverse (CALD) users after a significant redesign of our website. Information is available in Arabic, Chinese, Greek, Italian, Macedonian, Spanish and Vietnamese. Translated publications were produced in 28 community languages (including both established and new and emerging community languages) on a range of subjects such as home building, renting a home, borrowing money, scams, buying a car, renting, buying a mobile phone and trading in NSW.

In addition, Fair Trading delivered information sessions to CALD communities and attended a range of community events, including Chinese New Year, Vietnamese Tet Festival, and open days at Migrant Resource Centres.

### **Think Smart Program**

Since 2002, Fair Trading has operated the Think Smart education program for culturally and linguistically diverse communities. This program delivers information and education direct to culturally and linguistically diverse communities through community organisations and multilingual media partners. The Think Smart program raises awareness of fair trading issues and services amongst culturally and linguistically diverse communities using a variety of information resources, public relations activities and grass roots community activities.

Currently there are 35 partners consisting of 27 community organisations and eight multilingual media organisations. Seven new partners were signed up during the year.

### **Think Smart Tenancy Grants Program**

The Think Smart Tenancy Grants Program continued this year. This program was a one-off grant to community-focused organisations to deliver tenancy information and education to CALD communities and targeted the following languages: Assyrian, Dari, Dinka, Farsi, Pashto, Samoan, Tongan, Indonesian, Korean, Arabic, Chinese and Vietnamese.

In 2007/08 tenancy educational materials included audio CDs, booklets and DVDs. These were developed by the Auburn Migrant Resource Centre, Australia-Korean Welfare Association, Assyrian Australia Association, Chinese Australian Services Society, Immigrant Women's Speakout Association and Fairfield Migrant Resource Centre.

### Culturally and linguistically diverse education campaigns

Fair Trading ran education campaigns to encourage culturally and linguistically diverse consumers in NSW to use tradespeople and builders who are licensed and to warn them of the issues they may face if they use unlicensed traders. The campaign targeted advertising staff at newspapers (including multilingual press) across New South Wales, culturally and linguistically diverse consumers considering having trade or building work done, and builders and tradespeople. The campaign also includes a compliance check of culturally and linguistically diverse newspapers. The target languages were Arabic, Cantonese, Mandarin, Italian, Greek, Vietnamese, Spanish, Hindi, Korean, Tagalog, Macedonian, Croatian, German, Punjabi, Serbian, Turkish and Indonesian.

In September 2007, an African Cultural Awareness Forum was held in Coffs Harbour. The theme was "Breaking Down the Barriers". Over 150 participants, mainly new African refugees, heard about Fair Trading services that can assist them. In Mullumbimby, on the far North Coast, Commerce participated in an information day targeting multicultural job seekers.

Finding a place to live can be difficult at the best of times, however, if you are an international student with only basic English it can be daunting. For this reason, a program of tenancy information sessions to international students attending Southern Cross University's Tweed Heads and Lismore campuses was well patronised and greatly appreciated by overseas students.

### Language services

Commerce continued to provide language assistance for clients through free telephone and in-person interpreter services or through staff accredited as language aides under the Community Languages Allowance Scheme. One hundred and eight staff have accreditation in 29 languages, of which five have accreditation from the National Accreditation Authority for translators and interpreters. Language assistance referral points are included in relevant publications and on the Department's websites.

*Table A - Trends in the representation of EEO groups<sup>1</sup>*

% of total staff<sup>2</sup>

EEO group	Bench mark	2003/04	2004/05	2005/06	2006/07	2007/08
Women	50	40	41	42	44	45
Aboriginal people and Torres Strait Islanders	2	1.9	2	2	2.3	2.6
People whose first language was not English	20	24	24	25	25	25
People with a disability	12	10	10	10	10	9
People with a disability requiring work-related adjustment	7	3.4	3.6	3.5	3.5	3.1

*Table B – Trends in the distribution of EEO groups<sup>1</sup>***% of total staff<sup>2</sup>**

EEO group	Bench mark	2003/04	2004/05	2005/06	2006/07	2007/08
Women	100	88	87	87	88	88
Aboriginal people and Torres Strait Islanders	100	78	73	76	79	76
People whose first language was not English	100	94	94	95	96	96
People with a disability	100	98	97	96	94	96
People with a disability requiring work-related adjustment	100	91	91	91	87	89

**Notes**

1. Staff numbers are at 30 June 2008
2. Excludes casual staff
3. The distribution index measures the extent to which the distribution of EEO groups across salary levels is equivalent to that of other staff. Values less than 100 mean that the EEO group tends to be concentrated at lower salary levels than is the case for other staff. The more pronounced this tendency is, the lower the index will be. In some cases, the index may be more than 100, indicating that EEO group isles concentrated at lower salary levels. This Distribution Index is automatically calculated by the software provided by Employment Equity Diversity Branch, Premier's Department
4. The distribution index is not calculated where EEO group or non-EEO group members are less than 20

## Occupational health safety and injury management

Commerce is committed to fulfilling its obligations and duty of care to employees, contractors, visitors and clients as required by NSW Occupational Health and Safety and Injury Management legislation. The following initiatives were undertaken or commenced in 2007/08 to comply with these requirements:

- restructured the Occupational Health & Safety Compliance Unit, including the addition of an OH&S training consultant to develop a Commerce wide training system
- re-developed the OHS management system training package for roll-out during the latter half of 2008 including face-to-face and e-learning course development
- integrated OH&S training records management with Commerce's learning management system, LearningLink
- regular contact with the 17 OH&S committees, one working group and OH&S representatives to provide support, guidance and information
- progressed key OH&S policy and procedural matters by the Commerce senior management OH&S advisory committee that arose from the work of the OHS committees, and provided advice to the Commerce Executive
- continued document review and update, and integration of documents on departments' upgraded Intranet.

### Staff welfare initiatives

As part of the Department's commitment to staff health and welfare, the following staff welfare initiatives took place in 2007/08:

- Influenza Vaccination Program which will continue in 2008/09
- workstation ergonomics training and assessments
- ongoing training in use of the automatic external defibrillator for resuscitation
- advanced Return-to-Work Coordinator's training
- first aid officers' directory established and updated regularly
- on going training of first aid officers
- on-going training of OH&S committee members
- development and implementation of 'Live Life Well' initiatives, including the Global Corporate Challenge.

### Workers Compensation Claims for 2007/08

Office	2005/06 Number injuries resulting in claims	2006/07 Number injuries resulting in claims	2007/08 Number injuries resulting in claims	Number of claims resulting in time lost	Time lost per injury (days)	Average time lost per injury (days)
	Claims	Claims	Claims	Claims	Claims	Claims
Fair Trading	33	32	32	20	592	29.6
Industrial Relations	6	3	6	4	71	17.8
Public Works and Services	40	47	47	14	175	12.5
NSW Procurement	1	-	2	1	1	1
Corporate Services and Review	3	-	8	3	76	25.3
Corporate Shared Services	-	-	-	-	-	-
Central Corporate Services Unit	-	-	3	2	8	4
Director-General	-	-	-	-	-	-
<b>TOTALS</b>	<b>83</b>	<b>82</b>	<b>98</b>	<b>44</b>	<b>923</b>	<b>21</b>

Claims numbers do not include "journey claims", as they do not directly impact on the workers compensation premium.



---

NSW Department of Commerce Annual Report 2007/08

**Financial Statements**

---







GPO BOX 12  
Sydney NSW 2001

## INDEPENDENT AUDITOR'S REPORT

### Department of Commerce and controlled entities

To Members of the New South Wales Parliament

I have audited the accompanying financial report of the Department of Commerce (the Department), which comprises the balance sheet as at 30 June 2008, the operating statement, statement of recognised income and expense, cash flow statement, program statement - expenses and revenues and summary of compliance with financial directives for the year then ended, a summary of significant accounting policies and other explanatory notes for both the Department, and the Department and controlled entities (the consolidated entity). The consolidated entity comprises the Department and the entities it controlled at the year's end or from time to time during the financial year.

#### Auditor's Opinion

In my opinion, the financial report:

- presents fairly, in all material respects, the financial position of the Department and the consolidated entity as at 30 June 2008, and of their financial performance and their cash flows for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations)
- is in accordance with section 45E of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2005

My opinion should be read in conjunction with the rest of this report.

#### Director-General's Responsibility for the Financial Report

The Director-General is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the PF&A Act. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Department's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Director-General, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

My opinion does *not* provide assurance:

- about the future viability of the Department or consolidated entity,
- that they have carried out their activities effectively, efficiently and economically,
- about the effectiveness of their internal controls, or
- on the assumptions used in formulating the budget figures disclosed in the financial report.

### Independence

In conducting this audit, the Audit Office of New South Wales has complied with the independence requirements of the Australian Auditing Standards and other relevant ethical requirements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their role by the possibility of losing clients or income.



Heather Watson  
Director, Financial Audit Services

20 October 2008  
SYDNEY

DEPARTMENT OF COMMERCE

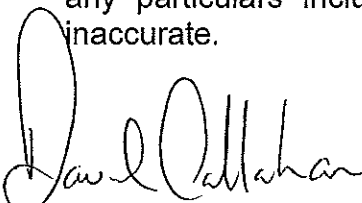
FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2008

STATEMENT BY THE DIRECTOR-GENERAL

---

Pursuant to Section 45F of the *Public Finance and Audit Act 1983*, I state that:

- (a) The accompanying consolidated financial statements have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983*, the Financial Reporting Code for Budget Dependent General Government Sector Agencies, the *Public Finance and Audit Regulation 2005* and the Treasurer's Directions;
- (b) The financial statements exhibit a true and fair view of the financial position and transactions of the Department for the period ended 30 June 2008;
- (c) At the date of this statement there are no circumstances, which would render any particulars included in the financial statements to be misleading or inaccurate.

  
A/Director-General  
Department of Commerce  
20/10/08



## NSW DEPARTMENT OF COMMERCE

**OPERATING STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2008**

	Notes	Consolidated		Department of Commerce		
		Actual 2008 \$'000	Actual 2007 \$'000	Actual 2008 \$'000	Budget 2008 \$'000	Actual 2007 \$'000
<b>Expenses excluding losses</b>						
Operating Expenses						
Employee related	2(a)	397,999	336,708	394,811	396,319	334,232
Other operating expenses	2(b)	192,618	146,424	188,748	169,933	143,401
Depreciation and amortisation	2(c)	179,408	158,273	178,497	177,759	157,673
Grants and subsidies	2(d)	12,882	50,996	12,882	29,148	50,996
Finance costs	2(e)	37,565	30,887	37,395	40,245	30,876
Other expenses	2(f)	3,695	3,999	3,695	2,072	3,999
<b>Total Expenses excluding losses</b>		<b>824,167</b>	<b>727,287</b>	<b>816,028</b>	<b>815,476</b>	<b>721,177</b>
<b>Revenue</b>						
Sale of goods and services	3(a)	628,465	514,427	620,508	633,990	508,785
Investment revenue	3(b)	22,614	14,742	22,509	14,557	14,657
Retained taxes, fees and fines	3(c)	57,550	54,460	57,550	46,208	54,460
Grants and contributions	3(d)	15,938	13,746	15,506	9,338	13,127
Other revenue	3(e)	244	51	244	1,750	51
<b>Total Revenue</b>		<b>724,811</b>	<b>597,426</b>	<b>716,317</b>	<b>705,843</b>	<b>591,080</b>
<b>Gain/(loss) on disposal</b>	4	<b>11,410</b>	<b>(6,041)</b>	<b>11,410</b>	<b>(3,176)</b>	<b>(6,041)</b>
<b>Other gains/(losses)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,670)</b>	<b>-</b>
<b>Net Cost of Services</b>		<b>87,946</b>	<b>135,902</b>	<b>88,301</b>	<b>114,479</b>	<b>136,138</b>
<b>Government Contributions</b>						
Recurrent appropriation	5	150,145	159,829	150,145	150,546	159,829
Capital appropriation	5	5,309	9,587	5,309	21,191	9,587
Acceptance by the Crown Entity of employee benefits and other liabilities	6	6,904	5,313	6,904	7,463	5,313
<b>Total Government Contributions</b>		<b>162,358</b>	<b>174,729</b>	<b>162,358</b>	<b>179,200</b>	<b>174,729</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR BEFORE TAX</b>		<b>74,412</b>	<b>38,827</b>	<b>74,057</b>	<b>64,721</b>	<b>38,591</b>
Deferred Tax Benefit/(Expense)		54	(51)	-	-	-
<b>SURPLUS/(DEFICIT) FOR THE YEAR AFTER TAX</b>		<b>74,466</b>	<b>38,776</b>	<b>74,057</b>	<b>64,721</b>	<b>38,591</b>

The accompanying notes form part of these statements.

NSW DEPARTMENT OF COMMERCE						
STATEMENT OF RECOGNISED INCOME AND EXPENSE FOR THE YEAR ENDED 30 JUNE 2008						
	Notes	Consolidated		Department of Commerce		
		Actual 2008 \$'000	Actual 2007 \$'000	Actual 2008 \$'000	Budget 2008 \$'000	Actual 2007 \$'000
Net increase/(decrease) in property, plant and equipment asset revaluation reserve		6,577	-	6,577	-	-
<b>TOTAL INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY</b>		-	-	-	-	-
Surplus/(deficit) for the year		74,466	38,776	74,057	64,721	38,591
<b>TOTAL INCOME AND EXPENSE RECOGNISED FOR THE YEAR</b>	22	<b>74,466</b>	<b>38,776</b>	<b>74,057</b>	<b>64,721</b>	<b>38,591</b>
Outside equity interest		(176)	(80)	-	-	-
		<b>74,290</b>	<b>38,696</b>	<b>74,057</b>	<b>64,721</b>	<b>38,591</b>
<b>EFFECT OF CHANGES IN ACCOUNTING POLICY AND CORRECTION OF ERRORS</b>		-	-	-	-	-
Accumulated Funds	22	<b>74,290</b>	<b>38,696</b>	<b>74,057</b>	<b>64,721</b>	<b>38,591</b>
Reserves		<b>6,577</b>	-	<b>6,577</b>	-	-
		<b>80,867</b>	<b>38,696</b>	<b>80,634</b>	<b>64,721</b>	<b>38,591</b>

The accompanying notes form part of these statements.

## NSW DEPARTMENT OF COMMERCE

BALANCE SHEET  
AS AT 30 JUNE 2008

	Notes	Consolidated		Department of Commerce		
		Actual 2008 \$'000	Actual 2007 \$'000	Actual 2008 \$'000	Budget 2008 \$'000	Actual 2007 \$'000
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	10	403,231	367,338	400,867	397,958	365,831
Receivables	11	269,583	248,638	268,856	251,303	247,971
Inventories	12	470	638	470	653	638
Financial assets at fair value	13	25,361	24,855	25,361	25,564	24,855
Other	14	57,434	62,553	57,088	79,955	62,351
Non-current assets held for sale	17	-	16,000	-	-	16,000
<b>Total Current Assets</b>		<b>756,079</b>	<b>720,022</b>	<b>752,642</b>	<b>755,433</b>	<b>717,646</b>
<b>Non-Current Assets</b>						
Inventories	12	4,924	5,529	4,924	5,678	5,529
Property, plant and equipment	15					
Land and Buildings		80,997	86,741	80,997	86,361	86,741
Plant and Equipment		623,812	613,565	621,231	585,554	612,270
Leasehold Improvements		14,517	8,423	14,517	8,423	8,423
Total property, plant and equipment		719,326	708,729	716,745	680,338	707,434
Intangible assets	16	45,191	52,185	45,191	64,626	52,185
Other Non-Current Assets	14	452	113	-	-	-
<b>Total Non-Current Assets</b>		<b>769,893</b>	<b>766,556</b>	<b>766,860</b>	<b>750,642</b>	<b>765,148</b>
<b>Total Assets</b>		<b>1,525,972</b>	<b>1,486,578</b>	<b>1,519,502</b>	<b>1,506,075</b>	<b>1,482,794</b>
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
Payables	18	269,802	278,023	269,091	284,491	277,564
Borrowings	19	257,838	262,243	257,838	248,942	262,077
Provisions	20	122,590	122,200	122,290	124,673	122,024
Other	21	3,847	9,958	2,634	9,413	9,363
<b>Total Current Liabilities</b>		<b>654,077</b>	<b>672,424</b>	<b>651,853</b>	<b>667,519</b>	<b>671,028</b>
<b>Non-Current Liabilities</b>						
Borrowings	19	290,713	266,230	290,713	253,094	266,230
Other	21	2,786	6,896	760	6,324	6,319
<b>Total Non-Current Liabilities</b>		<b>293,499</b>	<b>273,126</b>	<b>291,473</b>	<b>259,418</b>	<b>272,549</b>
<b>Total Liabilities</b>		<b>947,576</b>	<b>945,550</b>	<b>943,326</b>	<b>926,937</b>	<b>943,577</b>
<b>Net Assets</b>		<b>578,396</b>	<b>541,028</b>	<b>576,176</b>	<b>579,138</b>	<b>539,217</b>
<b>EQUITY</b>	22					
Reserves		25,184	18,607	25,184	18,607	18,607
Accumulated funds		555,753	525,138	550,992	560,531	520,610
Outside equity interest		(2,541)	(2,717)	-	-	-
<b>Total Equity</b>		<b>578,396</b>	<b>541,028</b>	<b>576,176</b>	<b>579,138</b>	<b>539,217</b>

The accompanying notes form part of these statements.

## NSW DEPARTMENT OF COMMERCE

CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2008

	Notes	Consolidated		Department of Commerce		
		Actual 2008 \$'000	Actual 2007 \$'000	Actual 2008 \$'000	Budget 2008 \$'000	Actual 2007 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
<b>Payments</b>						
Employee related		(329,349)	(306,875)	(322,587)	(403,711)	(304,588)
Grants and subsidies		(12,882)	(53,692)	(12,882)	(29,148)	(53,692)
Finance costs		(37,662)	(30,939)	(37,395)	(40,245)	(30,876)
Equivalent income tax		-	(1,046)	-	-	(1,046)
Other	25	(1,435,249)	(1,522,215)	(1,435,249)	(459,934)	(1,518,768)
<b>Total Payments</b>		<b>(1,815,142)</b>	<b>(1,914,767)</b>	<b>(1,808,113)</b>	<b>(933,038)</b>	<b>(1,908,970)</b>
<b>Receipts</b>						
Sale of goods and services	25	1,772,941	1,860,343	1,764,458	632,715	1,854,464
Retained taxes, fees and fines		57,573	52,088	57,573	(1,472)	52,088
Interest received		20,985	15,912	20,880	11,222	15,833
Other		15,506	13,127	15,506	349,723	13,127
<b>Total Receipts</b>		<b>1,867,005</b>	<b>1,941,470</b>	<b>1,858,417</b>	<b>992,188</b>	<b>1,935,512</b>
<b>Cash Flows from Government</b>						
Recurrent appropriation		150,322	164,237	150,322	150,546	164,237
Capital appropriation		5,654	9,587	5,654	21,191	9,587
<b>Net Cash Flows from Government</b>		<b>155,976</b>	<b>173,824</b>	<b>155,976</b>	<b>171,737</b>	<b>173,824</b>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	26	<b>207,839</b>	<b>200,527</b>	<b>206,280</b>	<b>230,887</b>	<b>200,366</b>



## NSW DEPARTMENT OF COMMERCE

**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2008**  
 (cont'd)

	Notes	Consolidated		Department of Commerce		
		Actual 2008 \$'000	Actual 2007 \$'000	Actual 2008 \$'000	Budget 2008 \$'000	Actual 2007 \$'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Proceeds from sale of Land and Buildings, Plant and Equipment and Infrastructure Systems		159,015	127,612	159,015	166,800	127,612
Proceeds from sale of investments		-	-	-	5,630	-
Purchases of Land and Buildings, Plant and Equipment and Infrastructure Systems		(321,993)	(348,013)	(321,842)	(296,158)	(347,490)
Purchases of investments		-	-	-	(3,039)	-
Other		-	-	-	(20,922)	-
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>(162,978)</b>	<b>(220,401)</b>	<b>(162,827)</b>	<b>(147,689)</b>	<b>(219,878)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
Proceeds from borrowings and advances		20,244	90,579	20,244	-	90,528
Repayment of borrowings and advances		(551)	-	-	(26,271)	-
Transfer to NSW Treasury		(28,661)	(5,579)	(28,661)	(24,800)	(5,579)
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>(8,968)</b>	<b>85,000</b>	<b>(8,417)</b>	<b>(51,071)</b>	<b>84,949</b>
<b>NET INCREASE/(DECREASE) IN CASH</b>		<b>35,893</b>	<b>65,126</b>	<b>35,036</b>	<b>32,127</b>	<b>65,437</b>
Opening cash and cash equivalents		367,338	302,212	365,831	365,831	300,394
Cash transferred in (out) as a result of administrative restructuring		-	-	-	-	-
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	10	<b>403,231</b>	<b>367,338</b>	<b>400,867</b>	<b>397,958</b>	<b>365,831</b>

The accompanying notes form part of these statements.

Department of Commerce  
Program Statement - Expenses and Revenues for the Year Ended 30 June 2008

EXPENSES AND REVENUES	Public Works and Services 2008 \$'000	NSW Procurement 2008 \$'000	Fair Trading 2008 \$'000	Industrial Relations 2008 \$'000	Corporate Services 2008 \$'000	Government Chief Information Office 2008 \$'000	Strategic Communications and Government Advertising 2008 \$'000	Not Attributable 2008 \$'000	Department of Commerce Total 2008 \$'000
<b>Expenses excluding losses</b>									
Operating Expenses									
• Employee related	128,305	30,465	102,650	15,067	100,528	15,089	2,707	-	394,811
• Other operating expenses	54,634	42,311	36,393	4,702	17,419	31,650	1,639	-	188,748
Depreciation and amortisation	4,345	147,650	8,941	786	8,207	8,452	116	-	178,497
Grants and subsidies	441	1	11,632	1	-	807	-	-	12,882
Finance costs	-	37,395	-	-	-	-	-	-	37,395
Other expenses	-	-	3,695	-	-	-	-	-	3,695
<b>Total Expenses excluding losses</b>	<b>187,725</b>	<b>257,822</b>	<b>163,311</b>	<b>20,556</b>	<b>126,154</b>	<b>55,998</b>	<b>4,462</b>	<b>-</b>	<b>816,028</b>
<b>Revenue</b>									
Sale of goods and services	173,245	282,944	51,985	331	93,372	14,531	4,100	-	620,508
Investment revenue	6,684	1,580	9,966	724	2,384	963	208	-	22,509
Retained taxes, fees and fines	-	-	57,538	-	12	-	-	-	57,550
Grants and contributions	70	16	9,073	8	3,831	2,506	2	-	15,506
Other revenue	94	66	3	-	4	34	43	-	244
<b>Total Revenue</b>	<b>180,093</b>	<b>284,606</b>	<b>128,565</b>	<b>1,063</b>	<b>99,603</b>	<b>18,034</b>	<b>4,353</b>	<b>-</b>	<b>716,317</b>
Gain/(loss) on disposal	114	13,558	(2,186)	(34)	(101)	(2)	-	-	11,349
Other gains/(losses)	872	-	(790)	(13)	(8)	-	-	-	61
<b>NET COST/(SURPLUS) OF SERVICES</b>	<b>6,646</b>	<b>(40,342)</b>	<b>37,722</b>	<b>19,540</b>	<b>26,660</b>	<b>37,966</b>	<b>109</b>	<b>-</b>	<b>88,301</b>
Government contributions**	-	-	-	-	-	-	-	(162,358)	(162,358)
<b>NET EXPENDITURE/ (REVENUE) FOR THE YEAR</b>	<b>6,646</b>	<b>(40,342)</b>	<b>37,722</b>	<b>19,540</b>	<b>26,660</b>	<b>37,966</b>	<b>109</b>	<b>(162,358)</b>	<b>(74,057)</b>

## Department of Commerce

## Program Statement - Expenses and Revenues for the Year Ended 30 June 2008 (cont'd)

ADMINISTERED EXPENSES AND REVENUES	Public Works and Services 2008 \$'000	NSW Procurement 2008 \$'000	Fair Trading 2008 \$'000	Industrial Relations 2008 \$'000	Corporate Services 2008 \$'000	Government Chief Information Office 2008 \$'000	Strategic Communications and Government Advertising 2008 \$'000	Not Attributable 2008 \$'000	Department of Commerce Total 2008 \$'000
<b>Administered Expenses</b>									
Transfer payments	-	-	-	-	5,605	-	-	-	5,605
Motor vehicle lease fee	-	9,784	-	-	-	-	-	-	9,784
<b>Total Administered Expenses</b>	-	<b>9,784</b>	-	-	<b>5,605</b>	-	-	-	<b>15,389</b>
<b>Administered Revenues</b>									
Transfer receipts	-	-	-	-	-	-	-	-	-
Consolidated Fund									
Licences, taxes, fees and fines	-	-	73,612	51	-	-	-	-	73,663
Motor vehicle lease fee	-	7,882	-	-	-	-	-	-	7,882
Other	-	-	-	-	-	-	-	-	-
<b>Total Administered Revenues</b>	-	<b>7,882</b>	<b>73,612</b>	<b>51</b>	-	-	-	-	<b>81,545</b>
<b>Administered Revenues less Expenses</b>	-	<b>(1,902)</b>	<b>73,612</b>	<b>51</b>	<b>(5,605)</b>	-	-	-	<b>66,156</b>

The name and purpose of each program is summarised in Note 8.

Appropriations are made on an agency basis and not to individual programs. Consequently, Government contributions must be included in the "Not Attributable" column.

Department of Commerce  
Program Statement - Comparative Figures for the Year Ended 30 June 2007

EXPENSES AND REVENUES	Public Works and Services 2007 \$'000	NSW Procurement 2007 \$'000	Fair Trading 2007 \$'000	Industrial Relations 2007 \$'000	Corporate Services 2007 \$'000	Government Chief Information Office 2007 \$'000	Strategic Communications and Government Advertising 2007 \$'000	Not Attributable 2007 \$'000	Department of Commerce Total 2007 \$'000
<b>Expenses excluding losses</b>									
Operating Expenses									
• Employee related	128,151	31,574	96,515	14,716	47,398	13,360	2,518	-	334,232
• Other operating expenses	28,425	25,752	42,067	5,159	13,540	26,864	1,594	-	143,401
Depreciation and amortisation	4,143	125,633	10,720	882	4,246	12,029	20	-	157,673
Grants and subsidies	25,196	93	14,551	-	-	11,156	-	-	50,996
Finance costs	-	30,876	-	-	-	-	-	-	30,876
Other expenses	13,339	2,767	2,071	-	(14,178)	-	-	-	3,999
<b>Total Expenses excluding losses</b>	<b>199,254</b>	<b>216,695</b>	<b>165,924</b>	<b>20,757</b>	<b>51,006</b>	<b>63,409</b>	<b>4,132</b>	<b>-</b>	<b>721,177</b>
<b>Revenue</b>									
Sale of goods and services	162,676	245,342	44,980	132	37,589	12,851	5,215	-	508,785
Investment revenue	4,717	1,392	6,731	495	625	697	-	-	14,657
Retained taxes, fees and fines	-	-	54,460	-	-	-	-	-	54,460
Grants and contributions	-	9	9,545	160	549	2,864	-	-	13,127
Other revenue	590	(568)	-	-	29	-	-	-	51
<b>Total Revenue</b>	<b>167,983</b>	<b>246,175</b>	<b>115,716</b>	<b>787</b>	<b>38,792</b>	<b>16,412</b>	<b>5,215</b>	<b>-</b>	<b>591,080</b>
Gain/(loss) on disposal	951	(5,704)	(1,163)	(57)	(60)	-	(8)	-	(6,041)
Other gains/(losses)	-	-	-	-	-	-	-	-	-
<b>NET COST/(SURPLUS) OF SERVICES</b>	<b>30,320</b>	<b>(23,776)</b>	<b>51,371</b>	<b>20,027</b>	<b>12,274</b>	<b>46,997</b>	<b>(1,075)</b>	<b>-</b>	<b>136,138</b>
Government contributions*	-	-	-	-	-	-	-	(174,729)	(174,729)
<b>NET EXPENDITURE/ (REVENUE) FOR THE YEAR</b>	<b>30,320</b>	<b>(23,776)</b>	<b>51,371</b>	<b>20,027</b>	<b>12,274</b>	<b>46,997</b>	<b>(1,075)</b>	<b>(174,729)</b>	<b>(38,591)</b>

## Department of Commerce

## Program Statement - Comparative Figures for the Year Ended 30 June 2007 (cont'd)

ADMINISTERED EXPENSES AND REVENUES	Public Works and Services 2007 \$'000	NSW Procurement 2007 \$'000	Fair Trading 2007 \$'000	Industrial Relations 2007 \$'000	Corporate Services 2007 \$'000	Government Chief Information Office 2007 \$'000	Strategic Communications and Government Advertising 2007 \$'000	Not Attributable 2007 \$'000	Department of Commerce Total 2007 \$'000
<b>Administered Expenses</b>									
Transfer payments	-	-	-	-	-	-	-	-	-
Motor vehicle lease fee	-	34,850	-	-	-	-	-	-	34,850
<b>Total Administered Expenses</b>	-	<b>34,850</b>	-	-	-	-	-	-	<b>34,850</b>
<b>Administered Revenues</b>									
Transfer receipts	-	-	-	-	-	-	-	-	-
Consolidated Fund									
Licences, taxes, fees and fines	-	-	54,896	83	-	-	-	-	54,979
Motor vehicle lease fee	-	31,147	-	-	-	-	-	-	31,147
Other	-	4,304	-	-	-	-	-	-	4,304
<b>Total Administered Revenues</b>	-	<b>35,451</b>	<b>54,896</b>	<b>83</b>	-	-	-	-	<b>90,430</b>
<b>Administered Revenues less Expenses</b>	-	<b>601</b>	<b>54,896</b>	<b>83</b>	-	-	-	-	<b>55,580</b>

The name and purpose of each program is summarised in Note 8.

Appropriations are made on an agency basis and not to individual programs. Consequently, Government contributions must be included in the "Not Attributable" column.

Department of Commerce  
Summary of Compliance with Financial Directives

	2008				2007			
	Recurrent Appropriation \$'000	Expenditure / Net Claim on Consolidated Fund \$'000	Capital Appropriation \$'000	Expenditure / Net Claim on Consolidated Fund \$'000	Recurrent Appropriation \$'000	Expenditure / Net Claim on Consolidated Fund \$'000	Capital Appropriation \$'000	Expenditure / Net Claim on Consolidated Fund \$'000
<b>Original Budget Appropriation / Expenditure</b>								
• Appropriation Act	150,546	142,788	21,191	5,654	111,221	104,069	7,820	7,820
• Section 24 PF&AA - transfers of functions between departments	-	-	-	-	4,292	4,292	2,406	1,767
	<b>150,546</b>	<b>142,788</b>	<b>21,191</b>	<b>5,654</b>	<b>115,513</b>	<b>108,361</b>	<b>10,226</b>	<b>9,587</b>
<b>Other Appropriations / Expenditure</b>								
• Treasurer's Advance	-	-	-	-	-	-	-	-
• Section 27 - Appropriation Act	-	-	-	-	46,968	46,968	-	-
• Section 22 PF&AA - expenditure for certain works and services	7,617	7,617	-	-	4,500	4,500	-	-
• Section 32 - transfers in	5,000	5,000	-	-	-	-	-	-
• Section 32 - transfers out	(6,692)	-	(809)	-	-	-	-	-
• Section 28 of the Appropriation Act - transfer to another agency	-	-	-	-	2,696	2,696	-	-
	<b>5,925</b>	<b>12,617</b>	<b>(809)</b>	<b>-</b>	<b>54,164</b>	<b>54,164</b>	<b>-</b>	<b>-</b>
<b>Total Appropriations / Expenditure / Net Claim on Consolidated Fund (includes transfer payments)</b>	<b>156,471</b>	<b>155,405</b>	<b>20,382</b>	<b>5,654</b>	<b>169,677</b>	<b>162,525</b>	<b>10,226</b>	<b>9,587</b>
<b>Amount drawn down against Appropriation</b>	-	<b>155,582</b>	-	<b>6,211</b>	-	<b>164,237</b>	-	<b>10,226</b>
<b>Liability to Consolidated Fund*</b>	-	<b>(177)</b>	-	<b>(557)</b>	-	<b>(1,712)</b>	-	<b>(639)</b>

The Summary of Compliance is based on the assumption that Consolidated Fund monies are spent first (except where otherwise identified or prescribed).

\* The "Liability to Consolidated Fund" is the difference between the "Amount drawn down against Appropriation" and the "Total Expenditure / Net Claim on Consolidated Fund".

## NSW DEPARTMENT OF COMMERCE

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2008

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****(a) Reporting Entity**

The Department of Commerce, as a reporting entity, comprises:

- Office of Public Works and Services
- NSW Procurement
- Office of Fair Trading
- Office of Industrial Relations
- Government Chief Information Office
- Strategic Communications and Government Advertising
- Corporate Services.

The reporting entity also includes NSW Government Telecommunications Authority (TELCO) which is controlled by the Department. TELCO holds 57% of the shares of the Australian Centre for Advanced Computing and Communications Pty Ltd (ac3) on behalf of the NSW Government. Eight NSW based universities hold the remaining 43% of shares.

In the process of preparing the consolidated financial statements for the economic entity consisting of the controlling and controlled entities, all inter-entity transactions and balances have been eliminated.

The Department of Commerce is a NSW Government department. The Department is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units. The reporting entity is consolidated as part of the NSW Total State Sector Accounts.

This consolidated financial report for the year ended 30 June 2008 has been authorised for issue by the Director-General on 20 October 2008.

**(b) Basis of Preparation**

The Department of Commerce's financial statements are a general purpose financial report which has been prepared in accordance with:

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations);
- the requirements of the *Public Finance and Audit Act 1983* and Regulation; and
- the Financial Reporting Directions published in the Financial Reporting Code for Budget Dependent General Government Sector Agencies or issued by the Treasurer.

Property, plant and equipment, investment property, assets (or disposal groups) held for sale and financial assets at "fair value through profit or loss" and available for sale are measured at fair value. Other financial report items are prepared in accordance with the historical cost convention.

Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial report.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

**(c) Statement of Compliance**

The consolidated and parent entity financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

**(d) Administered Activities**

The Department of Commerce administers, but does not control, certain activities on behalf of the Crown Entity. It is accountable for the transactions relating to those administered activities but does not have the discretion, for example, to deploy the resources for the achievement of the Department's own objectives.

Transactions and balances relating to the administered activities are not recognised as the Department's revenues, expenses, assets and liabilities, but are disclosed in the accompanying schedules as "Administered Revenues", "Administered Expenses", "Administered Assets" and "Administered Liabilities".

The accrual basis of accounting and applicable accounting standards have been adopted.

**(e) Borrowing Costs**

Borrowing costs are recognised as expenses in the period in which they are incurred, in accordance with Treasury's mandate to General Government Sector Agencies.

**(f) Insurance**

The agency's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self insurance for Government agencies. The expense (premium) is determined by the Fund Manager based on past claim experience.

**(g) Accounting for the Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except that:

- the amount of GST incurred by the agency as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense; and
- receivables and payables are stated with the amount of GST included except for Work in Progress, amounts due to contractors for work in progress and advance billings.

Cashflows are included in the Cashflow Statement on a gross basis. However the GST components of cashflows arising from investing and financing activities which are receivable from, or payable to, the Australian Taxation Office are classified as operating cash flows.

**(h) Income Recognition**

Income is measured at the fair value of the consideration or contribution received or receivable. Additional comments regarding the accounting policies for the recognition of income are discussed below.

**(i) Parliamentary Appropriations and Contributions**

Parliamentary appropriations and contributions from other bodies (including grants and donations) are generally recognised as revenue when the agency obtains control over the assets comprising the appropriations / contributions. Control over appropriations and contributions is normally obtained upon the receipt of cash. Appropriations are not recognised as revenue in the following circumstances:

- "Equity appropriations" to fund payments to adjust a for-profit entity's capital structure are recognised as equity injections (ie contribution by owners) on receipt and equity withdrawals on payment to a for-profit entity. The reconciliation between the operating statement, statement of summary of compliance with financial directives and the total appropriations is disclosed in Note 5.
- Unspent appropriations are recognised as liabilities rather than revenue, as the authority to spend the money lapses and the unspent amount must be repaid to the Consolidated Fund.

The liability is disclosed in Note 21 as part of "Current/Non-Current Liabilities - Other". The amount will be repaid and the liability will be extinguished next financial year. Any liability in respect of transfer payments is disclosed in Note 29 "Administered Assets and Liabilities".

**(ii) Sale of Goods**

Revenue from the sale of goods is recognised as revenue when the agency transfers the significant risks and rewards of ownership of the assets.



## (iii) Rendering of Services

Revenue is recognised when the service is provided or by reference to the stage of completion.

Fee revenue earned from management and delivery of client funded building, engineering, maintenance and other service projects, has historically been recognised over the duration of the project, based on the progressive value of fee funded hours charged to the project by Commerce resources.

For all new client funded projects commenced after 1 April 2007, as supported by conversion to new SAP project management system, project fee revenues are recognised equivalent to the value of earned fees progressively invoiced to clients.

The amount of revenue recognised at project completion is the same under either model.

## (iv) Investment Revenue

Interest revenue is recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement*.

(i) **Assets**

## (i) Acquisitions of Assets

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the Department. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition (see also assets transferred as a result of an administrative restructure - Note 1(k)).

Fair value means the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

Where payment for an item is deferred beyond normal credit terms, its cost is the cash price equivalent, ie the deferred payment amount is effectively discounted at an asset-specific rate.

## (ii) Capitalisation Thresholds

Property, plant and equipment and intangible assets costing \$5,000 and above individually (or forming part of a network costing more than \$5,000) are capitalised.

## (iii) Revaluation of Property, Plant and Equipment

Physical non-current assets are valued in accordance with the "Valuation of Physical Non-Current Assets at Fair Value" Policy and Guidelines Paper (TPP 07-01). This policy adopts fair value in accordance with AASB 116 *Property, Plant and Equipment* and AASB 140 *Investment Property*.

Property, plant and equipment is measured on an existing use basis, where there are no feasible alternative uses in the existing natural, legal, financial and socio-political environment. However, in the limited circumstances where there are feasible alternative uses, assets are valued at their highest and best use.

Fair value of property, plant and equipment is determined based on the best available market evidence, including current market selling prices for the same or similar assets. Where there is no available market evidence, the asset's fair value is measured at its market buying price, the best indicator of which is depreciated replacement cost.

The Department's Land and buildings are revalued every three years. The last revaluation was completed in June 2008 and was based on an independent assessment.

Other non-current assets are assessed by the management to ensure that the carrying amount of each asset in the class does not differ materially from its fair value at reporting date.

Non-specialised assets with short useful lives are measured at depreciated historical cost, as a surrogate for fair value.

When revaluing non-current assets by reference to current prices for assets newer than those being revalued (adjusted to reflect the present condition of the assets), the gross amount and the related accumulated depreciation is separately restated.

For other assets, any balances of accumulated depreciation existing at the revaluation date in respect of those assets are credited to the asset accounts to which they relate. The net asset accounts are then increased or decreased by the revaluation increments or decrements.

Revaluation increments are credited directly to the asset revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in the surplus / deficit, the increment is recognised immediately as revenue in the surplus / deficit.

Revaluation decrements are recognised immediately as expenses in the surplus / deficit, except that, to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of assets, they are debited directly to the asset revaluation reserve.

As a not-for-profit entity, revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.

Where an asset that has previously been revalued is disposed of, any balance remaining in the asset revaluation reserve in respect of that asset is transferred to accumulated funds.

(iv) Impairment of Property, Plant and Equipment

As a not-for-profit entity with no cash generating units, the Agency is effectively exempted from AASB 136 *Impairment of Assets* and impairment testing. This is because AASB 136 modifies the recoverable amount test to the higher of fair value less costs to sell and depreciated replacement cost. This means that, for an asset already measured at fair value, impairment can only arise if selling costs are material. Selling costs are regarded as immaterial.

(v) Depreciation of Property, Plant and Equipment

Depreciation is provided for on a straight line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Department.

All material separately identifiable component assets are recognised and depreciated over their shorter useful lives. Land is not a depreciable asset.

The depreciation rates used for 2007/08 for each class of assets are:

Buildings	2.5%
Motor vehicles	8.0% to 33.3%
Government Radio Network	10.0%
Mainframe computers	20.0%
Major computer systems	10.0% to 12.5%
Computer equipment	33.3%
Furniture and fittings	10.0% to 20.0%
Office equipment	20.0% to 33.3%
Other plant and equipment	4.0% to 33.3%

(vi) Major Inspection Costs

When major inspection is performed, the labour cost of performing major inspections for faults is recognised in the carrying amount of an asset as a replacement of a part, if the recognition criteria are satisfied.

(vii) Restoration Costs

The estimated cost of dismantling and removing an asset and restoring the site is included in the cost of an asset, to the extent it is recognised as a liability.

(viii) Maintenance

Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement of a part or component of an asset, in which case the costs are capitalised and depreciated.

## (ix) Leased Assets

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of the leased assets, and operating leases under which the lessor effectively retains all such risks and benefits.

Where a non-current asset is acquired by means of a finance lease, the asset is recognised at its fair value at the commencement of the lease term. The corresponding liability is established at the same amount. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are charged to the Operating Statement in the periods in which they are incurred.

## (x) Intangible Assets

The agency recognises intangible assets only if it is probable that future economic benefits will flow to the agency and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition.

All research costs are expensed. Development costs are only capitalised when certain criteria are met.

The useful lives of intangible assets are assessed to be finite. Intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for the agency's intangible assets, the assets are carried at cost less any accumulated amortisation.

The agency's intangible assets (computer software) are amortised using the straight line method over a period of 4 to 10 years.

Intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount is less than its carrying amount, the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss.

## (xi) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is an amortised cost using the effective interest method, less an allowance for any impairment of receivables. Any changes are accounted for in the Operating Statement when impaired, derecognised or through the amortisation process.

Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

## (xii) Inventories

Inventories held for distribution are stated at the lower of cost, adjusted when applicable, for any loss of service potential. A loss of service potential is identified and measured based on the existence of a current replacement cost that is lower than the carrying amount. Inventories (other than those held for distribution) are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average cost or "first in first out" method.

The cost of inventories acquired at no cost or for nominal consideration is the current replacement cost as at the date of acquisition. Current replacement costs is the cost the agency would incur to acquire the asset on the reporting date. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

## (xiii) Investments

Investments are initially recognised at fair value plus, in the case of investments not at fair value through profit or loss, transaction costs. The agency determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end.

- *Fair value through profit or loss* - the agency subsequently measures investments classified as “held for trading” or designated upon initial recognition “at fair value through profit or loss” at fair value. Financial assets are classified as “held for trading” if they are acquired for the purpose of selling in the near term.
- *The Hour-Glass Investment Facilities* - are designated at fair value through profit or loss using the second leg of the fair value option ie these financial assets are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management strategy, and information about these assets is provided internally on that basis to the agency’s key management personnel.

The movement in the fair value of the Hour-Glass Investment Facilities incorporates distributions received as well as unrealised movements in fair value and is reported in the line item “investment revenue”.

- *Held to maturity investments* - non-derivative financial assets with fixed or determinable payments and fixed maturity that the agency has the positive intention and ability to hold to maturity are classified as “held to maturity”. These investments are measured at amortised cost using the effective interest method. Changes are recognised in the Operating Statement when impaired, derecognised or through the amortisation process.
- *Available for sale investments* - any residual investments that do not fall into any other category are accounted for as available for sale investments and measured at fair value directly in equity until disposed or impaired, at which time the cumulative gain or loss previously recognised in equity is recognised in the Operating Statement. However, interest calculated using the effective interest method and dividends are recognised in the Operating Statement.

Purchases or sales of investments under contract that require delivery of the asset within the timeframe established by convention or regulation are recognised on the trade date ie the date the entity commits itself to purchase or sell the asset.

The fair value of investments that are traded at fair value in an active market is determined by reference to quoted current bid prices at the close of business on the Balance Sheet date.

## (xiv) Impairment of Financial Assets

All financial assets, except those measured at fair value through profit and loss, are subject to an annual review for impairment. An allowance for impairment is established when there is objective evidence that the entity will not be able to collect all amounts due.

For financial assets carried at amortised cost, the amount of the allowance is the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the impairment loss is recognised in the Operating Statement.

When an available for sale financial asset is impaired, the amount of the cumulative loss is removed from equity and recognised in the Operating Statement, based on the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss previously recognised in the Operating Statement.

Any reversals of impairment losses are reversed through the Operating Statement, where there is objective evidence, except reversals of impairment losses on an investment in an equity instrument classified as “available for sale” must be made through the reserve. Reversals of impairment losses of financial assets carried at amortised cost cannot result in a carrying amount that exceeds what the carrying amount would have been had there not been an impairment loss.

## (xv) Derecognition of Financial Assets and Financial Liabilities

A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire; or if the agency transfers the financial asset:

- where substantially all the risks and rewards have been transferred; or
- where the agency has not transferred substantially all the risks and rewards, if the entity has not retained control.

Where the agency has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the agency's continuing involvement in the asset.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires.

## (xvi) Non-Current Assets (or Disposal Groups) Held For Sale

The agency has certain non-current assets (or disposal groups) classified as held for sale, where their carrying amount will be recovered principally through a sale transaction, not through continuing use. Non-current assets (or disposal groups) held for sale are recognised at the lower of carrying amount and fair value less costs to sell. These assets are not depreciated while they are classified as held for sale.

## (xvii) Trust Funds

The Department receives monies in a trustee capacity for various trusts as set out in Note 27. As the agency performs only a custodial role in respect of these monies, and because the monies cannot be used for the achievement of the agency's own objectives, these funds are not recognised in the financial statements.

## (xviii) Other Assets

Other assets are recognised on a cost basis.

**(j) Liabilities**

## (i) Payables

These amounts represent liabilities for goods and services provided to the agency and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

## (ii) Borrowings

Loans are not held for trading or designed at fair value through profit or loss and are recognised at amortised cost using the effective interest method. Gains or losses are recognised in the Operating Statement on derecognition.

## (iii) Employee Benefits and Other Provisions

## (a) Salaries and Wages, Annual Leave, Sick Leave and On-Costs

Liabilities for salaries and wages (including non-monetary benefits), annual leave and paid sick leave that fall due wholly within 12 months of the reporting date are recognised and measured in respect of employees' services up to the reporting date at undiscounted amounts based on the amounts expected to be paid when the liabilities are settled.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

The outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax, which are consequential to employment, are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised.

## (b) Long Service Leave and Superannuation

The Department's liabilities for long service leave and defined benefit superannuation for Office of Fair Trading, Office of Industrial Relations and Government Chief Information Office are assumed by the Crown Entity.

Long service leave and superannuation liabilities for the commercial activities of the Department are funded by the Department and are not assumed by the Crown Entity.

Long service leave is measured on a short-hand basis. The short-hand method is based on the remuneration rates at year end for all employees with five or more years of service. It is considered that this measurement technique produces results not materially different from the estimate determined by using the present value basis of measurement.

The superannuation expense for the financial year is determined by using the formulae specified in the Treasurer's Directions. The expense for certain superannuation schemes (ie Basic Benefit and First State Super) is calculated as a percentage of the employees' salary. For other superannuation schemes (ie State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions.

Long Service Leave and Superannuation Liabilities Assumed by the Crown Entity

The agency accounts for the liability as having been extinguished resulting in the amount assumed being shown as part of the non-monetary revenue item described as "Acceptance by the Crown Entity of employee benefits and other liabilities".

Long Service Leave and Superannuation Liabilities Funded by the Department

The cost of employee entitlements for long service leave, relating to the commercial operations of the Department, is met by the payment of a contribution based on salaries and wages to the NSW Treasury. The payment is made into the "Non-Budget Sector Long Service Leave Pool Scheme" and leave taken is reimbursed from the Scheme.

## (c) Other Provisions

Other provisions exist when the agency has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

Any provisions for restructuring are recognised only when an agency has a detailed formal plan and the agency has raised a valid expectation in those affected by the restructuring that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected.

## (k) Equity Transfers

The transfer of net assets between agencies as a result of an administrative restructure, transfers of programs / functions and parts thereof between NSW public sector agencies are designated as a contribution by owners and recognised as an adjustment to "Accumulated Funds". This treatment is consistent with Interpretation 1038 "Contributions by Owners Made to Wholly Owned Public Sector Entities".

Transfers arising from an administrative restructure between Government departments are recognised at the amount at which the asset was recognised by the transferor Government department immediately prior to the restructure. In most instances this will approximate fair value. All other equity transfers are recognised at fair value, except for intangibles. Where an intangible has been recognised at (amortised) cost by the transferor because there is no active market, the agency recognises the asset at the transferor's carrying amount. Where the transferor is prohibited from recognising internally generated intangibles, the agency does not recognise that asset.

## (l) Transfers to NSW Treasury

As part of the 2006/07 budget process, the Department's dividend and income tax equivalent payment models were reviewed by NSW Treasury. As Commerce is a budget dependant entity, it was considered that the income tax equivalent and dividend models were not appropriate for Commerce. Therefore it was decided to discontinue the previous models for income tax equivalent and dividend payment and replace it with a model to transfer an agreed amount to NSW Treasury for each financial year.

A transfer of \$8.8M for the current financial year has been agreed with NSW Treasury as part of the annual budget process.

**(m) Work in Progress**

Australian Accounting Standard AASB 111 *Construction Contracts* requires the amount due from customers for contract work to be disclosed as an asset and the amount due to customers for contract work as a liability. Accordingly, amount due from customers is shown as Work in Progress in Current Assets and amount due to customers is shown as Advance Claims in Current Liabilities.

**(n) Budgeted Amounts**

The budgeted amounts are drawn from the budgets as formulated at the beginning of the financial year and with any adjustments for the effects of additional appropriations, S21A, S24 and/or S26 of the *Public Finance and Audit Act 1983*.

The budgeted amounts in the Operating Statement and the Cash Flow Statement are generally based on the amounts disclosed in the NSW Budget Papers (as adjusted above). However, in the Balance Sheet, the amounts vary from the Budget Papers, as the opening balances of the budgeted amounts are based on carried forward actual amounts ie per the audited financial statements (rather than carried forward estimates).

**(o) Comparative Information**

Where necessary, previous year figures have been reclassified to facilitate comparison.

**(p) New Australian Accounting Standards Issued But Not Effective**

The following new Accounting Standards have not been applied and are not yet effective:

- AASB 3 (March 2008), AASB 127 and AASB 2008-3 regarding business combinations;
- AASB 8 and AASB 2007-3 regarding operating segments;
- AASB 101 (September 2007) and AASB 2007-8 regarding presentation of financial statements;
- AASB 123 (June 2007) and AASB 2007-6 regarding borrowing costs;
- AASB 1004 (December 2007) regarding contributions;
- AASB 1049 (October 2007) regarding the whole of government and general government sector financial reporting;
- AASB 1050 (December 2007) regarding administered items;
- AASB 1051 (December 2007) regarding land under roads;
- AASB 1052 (December 2007) regarding disaggregated disclosures;
- AASB 2007-9 regarding amendments arising from the review of AASs 27, 29 and 31;
- AASB 2008-1 regarding share based payments;
- AASB 2008-2 regarding puttable financial instruments;
- Interpretation 4 (February 2007) regarding determining whether an arrangement contains a lease;
- Interpretation 12 and AASB 2007-2 regarding service concession arrangements;
- Interpretation 13 on customer loyalty programs;
- Interpretation 14 regarding the limit on a defined benefit asset;
- Interpretation 129 (February 2007) regarding service concession disclosures;
- Interpretation 1038 (December 2007) regarding contributions by owners.

It is considered that the implementation of these Standards will not have any material impact on Commerce's financial results.

**2. EXPENSES EXCLUDING LOSSES****(a) Employee Related Expenses**

	<b>Consolidated</b>		<b>Department of Commerce</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Salaries and wages (including recreation leave)	327,088	282,093	324,362	279,923
Superannuation - defined benefit plans	13,162	10,915	13,162	10,721
Superannuation - defined contribution plans	18,299	14,342	18,047	14,342
Long service leave	11,103	8,780	11,039	8,780
Workers compensation insurance	2,536	1,257	2,536	1,257
Payroll tax and fringe benefits tax	21,320	16,980	21,174	16,868
Voluntary redundancy	4,491	2,341	4,491	2,341
	<b>397,999</b>	<b>336,708</b>	<b>394,811</b>	<b>334,232</b>

**(b) Other Operating Expenses**

	<b>Consolidated</b>		<b>Department of Commerce</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Auditor's remuneration - audit of the financial reports	654	550	618	525
Cost of sales	36,436	12,363	35,062	12,363
Government Radio Network operating expenses	13,925	12,272	13,925	12,272
Advertising	2,124	1,803	2,124	1,803
Bad and doubtful debts	1,464	2,589	1,464	2,589
Operating lease rental expense - minimum lease payments	25,077	25,202	24,980	25,149
Maintenance	10,511	10,865	10,344	10,653
Insurance	2,891	2,367	2,891	2,367
Fees and charges	24,176	20,385	24,176	20,166
Postage and telephone	6,842	6,869	6,395	6,562
Printing, stationery and stores	3,482	4,118	3,482	4,118
Consultants	305	257	305	205
Books and periodicals	992	1,108	992	1,108
Travel and motor vehicle expenses	5,076	5,646	5,076	5,646
Computer expenses	25,894	24,430	25,894	24,430
Minor equipment	3,562	4,316	3,562	4,316
Training	2,370	3,879	2,370	3,879
Tranche 3 motor vehicles shortfall write off	12,337	-	12,337	-
Other	14,500	7,405	12,751	5,250
	<b>192,618</b>	<b>146,424</b>	<b>188,748</b>	<b>143,401</b>
<b>Reconciliation - Total Maintenance</b>				
Maintenance expense, as above	10,511	10,865	10,344	10,653
Maintenance related employee expenses included in Note 2(a)*	-	-	-	-
Total maintenance expenses included in Notes 2(a) and 2(b)	<b>10,511</b>	<b>10,865</b>	<b>10,344</b>	<b>10,653</b>

\* Maintenance related services are generally provided by external service providers and therefore maintenance related employee expenses are minimal.

**(c) Depreciation and Amortisation Expense**

	<b>Consolidated</b>		<b>Department of Commerce</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Depreciation				
- Buildings	1,204	483	1,204	483
- Plant and equipment	165,897	145,567	164,986	144,967
	<b>167,101</b>	<b>146,050</b>	<b>166,190</b>	<b>145,450</b>
Amortisation				
- Leasehold Improvements	2,139	2,085	2,139	2,085
- Intangible Assets	10,168	10,138	10,168	10,138
	<b>179,408</b>	<b>158,273</b>	<b>178,497</b>	<b>157,673</b>

**(d) Grants and Subsidies**

	<b>Consolidated</b>		<b>Department of Commerce</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Information and Community Technology Grant	807	11,156	807	11,156
Subsidies to Fair Trading Admin Corporation	5,600	8,400	5,600	8,400
Tenancy Advice and Advocacy Program	3,692	3,499	3,692	3,499
Cleaning Service Incentive Payment	-	20,003	-	20,003
Other	2,783	7,938	2,783	7,938
	<b>12,882</b>	<b>50,996</b>	<b>12,882</b>	<b>50,996</b>

**(e) Finance Costs**

	<b>Consolidated</b>		<b>Department of Commerce</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Interest on borrowings	37,565	30,887	37,395	30,876
	<b>37,565</b>	<b>30,887</b>	<b>37,395</b>	<b>30,876</b>



## (f) Other Expenses

	Consolidated		Department of Commerce	
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000
Other	3,695	3,999	3,695	3,999
	<b>3,695</b>	<b>3,999</b>	<b>3,695</b>	<b>3,999</b>

## 3. REVENUE

## (a) Sale of Goods and Services

	Consolidated		Department of Commerce	
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000
Rendering of services				
- Project and asset management services	181,824	165,779	181,824	165,779
- Supply Fees	52,380	47,351	52,380	47,351
- Business and personnel services	89,533	35,378	89,533	35,378
- Advertising	3,045	4,080	3,045	4,080
- Motor vehicle leasing	228,729	193,840	228,729	193,840
- Administrative assistance	32,004	28,183	32,004	28,183
- Other services	40,950	39,816	32,993	34,174
	<b>628,465</b>	<b>514,427</b>	<b>620,508</b>	<b>508,785</b>

## (b) Investment Revenue

	Consolidated		Department of Commerce	
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000
Interest on investments	15,603	11,156	15,603	11,156
Interest on bank accounts	7,011	3,586	6,906	3,501
	<b>22,614</b>	<b>14,742</b>	<b>22,509</b>	<b>14,657</b>

## (c) Retained Taxes, Fees and Fines

	Consolidated		Department of Commerce	
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000
Statutory interest	44,680	41,428	44,680	41,428
Building Licensing Fees	8,044	8,294	8,044	8,294
Owner Builder Permit Fees	1,637	1,314	1,637	1,314
Motor Dealers Compensation Fees	719	1,481	719	1,481
Fines / Penalties	203	153	203	153
Other Fees	2,267	1,790	2,267	1,790
	<b>57,550</b>	<b>54,460</b>	<b>57,550</b>	<b>54,460</b>

## (d) Grants and Contributions

	Consolidated		Department of Commerce	
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000
Contribution from Rental Bond Board*	8,578	9,152	8,578	9,152
Other	7,360	4,594	6,928	3,975
	<b>15,938</b>	<b>13,746</b>	<b>15,506</b>	<b>13,127</b>

\* The cost of running the residential tenancy function of the Consumer Trader and Tenancy Tribunal is split 50/50 by the Rental Bond Board and the Property Services Statutory Interest Fund. This grant reflects the Rental Bond Board's contribution to the cost of administering this function.

## (e) Other Revenue

	Consolidated		Department of Commerce	
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000
Discount received	5	3	5	3
Other	239	48	239	48
	<b>244</b>	<b>51</b>	<b>244</b>	<b>51</b>

## 4. GAIN/(LOSS) ON DISPOSAL

**Gain/(loss) on disposal of property, plant and equipment**

Proceeds from disposal  
Written down value of assets disposed  
**Net gain/(loss) on disposal of property, plant and equipment**

<b>Consolidated</b>		<b>Department of Commerce</b>	
<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
159,015	127,612	159,015	127,612
(147,605)	(133,653)	(147,605)	(133,653)
<b>11,410</b>	<b>(6,041)</b>	<b>11,410</b>	<b>(6,041)</b>

## 5. APPROPRIATIONS

**Recurrent appropriations**

Total recurrent draw-downs from Treasury  
(per Summary of Compliance)  
Less: Liability to Consolidated Fund  
(per Summary of Compliance)

Comprising:

Recurrent appropriations  
(per Operating Statement)  
Transfer payments

**Capital appropriations**

Total capital draw-downs from Treasury  
(per Summary of Compliance)  
Less: Liability to Consolidated Fund  
(per Summary of Compliance)

Comprising:

Capital appropriations  
(per Operating Statement)  
Transfer payments

<b>Consolidated</b>		<b>Department of Commerce</b>	
<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
155,582	161,541	155,582	161,541
177	1,712	177	1,712
<b>155,405</b>	<b>159,829</b>	<b>155,405</b>	<b>159,829</b>
150,145	159,829	150,145	159,829
5,260	2,696	5,260	2,696
<b>155,405</b>	<b>162,525</b>	<b>155,405</b>	<b>162,525</b>
6,211	10,226	6,211	10,226
557	639	557	639
<b>5,654</b>	<b>9,587</b>	<b>5,654</b>	<b>9,587</b>
5,309	9,587	5,309	9,587
345	-	345	-
<b>5,654</b>	<b>9,587</b>	<b>5,654</b>	<b>9,587</b>

## 6. ACCEPTANCE BY THE CROWN ENTITY OF EMPLOYEE BENEFITS AND OTHER LIABILITIES

The following liabilities and/or expenses have been assumed by the Crown Entity or other Government agencies:

<b>Consolidated</b>		<b>Department of Commerce</b>	
<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Superannuation	3,645	3,645	2,769
Long service leave	3,044	3,044	2,398
Payroll tax	215	215	146
<b>6,904</b>	<b>5,313</b>	<b>6,904</b>	<b>5,313</b>

## 7. TRANSFER PAYMENTS

The Department received \$5.6M in 2008/09 for payment to State Records Authority. Commerce has no control of the funds and the funds are transferred to State Records upon receipt from NSW Treasury.

## 8. PROGRAMS / ACTIVITIES OF THE AGENCY

## 1. Fair Trading

This service group covers fair trading policy development and regulatory review, provision of information to consumers and traders and enforcement of compliance with fair trading laws and impartial dispute resolution through an independent tribunal.

## 2. Industrial Relations

This service group covers industrial relations policy development and review, provision of information to employers and employees, enforcement of compliance with industrial relations laws through inspection of NSW workplaces and administration of the process for appeals against promotion and disciplinary decisions in the public sector.

## 3. Procurement

This service group covers the development and implementation of procurement policy and tendering services, provision of operational support for the State Contracts Control Board and the delivery of electronic procurement tools and solutions.

## 4. Public Works and Services

This service group covers the commercial services provided to government agencies, including the provision of planning and building, design services, management of construction projects, finding sustainable solutions to the problems of capturing, treating and distributing water and the management of motor vehicle fleets for government agencies.

## 5. Strategic Communications and Government Advertising

This service group covers the provision of public awareness advertising, providing all recruitment advertising and public notices including the publication of the Government Gazette, advertising public sector job vacancies and managing the government recruitment website.

## 6. Government Chief Information Office

This service group covers the provision of strategic whole of government information communication technology policy advice and guidelines. Government Chief Information Office initiatives include the provision and management of the NSW Government internet web portal, the provision of the online licence application and renewal system, maintaining the government mobile radio communications network, and the government broadband service.

## 7. Corporate Services

This service group covers the provision of corporate services to a selection of government agencies including accounting and financial services, payroll and human resource services, information technology services, asset facilities management, information and research services, mail and records management and switchboard services.

## 9. TRANSFER OF PROGRAMS

The procurement policy services function of NSW Procurement was transferred to NSW Treasury on 5 September 2007. As a result of the transfer, four employees of the Department were transferred to NSW Treasury.

## 10. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

	Consolidated		Department of Commerce	
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000
Cash at bank and on hand	121,089	108,315	118,725	106,808
Hour Glass Cash Facility	282,142	259,023	282,142	259,023
	<b>403,231</b>	<b>367,338</b>	<b>400,867</b>	<b>365,831</b>

For the purposes of the Cash Flow Statement, cash includes cash on hand, cash at bank, deposit with TCorp, Cash Facility and Cash Plus Facility.

Cash assets recognised in the Balance Sheet are reconciled to cash at the end of the financial year as shown in the Cash Flow Statement as follows:

	Consolidated		Department of Commerce	
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000
Cash (per Balance Sheet)	403,231	367,338	400,867	365,831
Closing cash and cash equivalents (per Cash Flow Statement)	<b>403,231</b>	<b>367,338</b>	<b>400,867</b>	<b>365,831</b>

## 11. CURRENT / NON-CURRENT ASSETS - RECEIVABLES

	Consolidated		Department of Commerce	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Sale of goods and services	119,924	113,740	119,197	113,073
Less: Allowance for impairment	3,245	2,928	3,245	2,928
	116,679	110,812	115,952	110,145
Retained taxes, fees and fines	9,231	11,770	9,231	11,770
Less: Allowance for impairment	3,177	6,955	3,177	6,955
	6,054	4,815	6,054	4,815
Accrued bank interest	3,829	2,200	3,829	2,200
Long service leave reimbursable by the Crown Entity	57,931	59,290	57,931	59,290
Work in Progress*	15,739	36,099	15,739	36,099
Employee provisions recoverable from other agencies	18,019	17,160	18,019	17,160
Accrued income	12,712	2,946	12,712	2,946
Motor vehicle reserve	31,947	-	31,947	-
Other	6,673	15,316	6,673	15,316
	<b>269,583</b>	<b>248,638</b>	<b>268,856</b>	<b>247,971</b>

**\* Work in Progress**

The NSW Department of Commerce acts as principal in the contract for construction works undertaken for clients. The role of the Department includes the payment of contractors on the clients' behalf.

Work in Progress represents the cost of all works in progress less progress billings to clients and is net of a provision for uncollectable work in progress of \$11M (\$11.7M in 2007). At 30 June 2008, work in the ground was valued at \$88.6M (\$98.9M in 2007 and this accrual is reflected in current liabilities [refer Note 18].

The contract conditions allow the Department to require performance bonds from the contractors in the form of cash deposit, unconditional bank guarantee or insurance bonds to cover the Department against losses that may arise from uncompleted or faulty jobs.

Australian Accounting Standard AASB 111 *Construction Contracts* requires the amount due from customers for contract work to be disclosed as an asset (Work in Progress) and the amount due to customers for contract work as a liability (Advance Claim). The Standard also requires disclosure of the aggregate of contract costs and aggregate of consideration received and receivable as progress billings. Gross Work in Progress and billings to date are as follows:

	Consolidated		Department of Commerce	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Gross work in progress as at 30 June	956,951	1,268,113	956,951	1,268,113
Billings to date	(930,190)	(1,220,364)	(930,190)	(1,220,364)
Net work in progress	26,761	47,749	26,761	47,749
Allowance for uncollectable work in progress	(11,022)	(11,650)	(11,022)	(11,650)
Work in progress as per Balance Sheet	<b>15,739</b>	<b>36,099</b>	<b>15,739</b>	<b>36,099</b>

Under the security of payment legislation, General Conditions of Contract AS 2124 and C21 contracts, there are specific conditions relating to the payment of contractor claims for work completed. Penalties for failure to adhere to these conditions include payment of interest. To ensure contractual payment obligations are met, agreements have been made for major clients to pay according to a monthly cash flow determined on the basis of client funds being lodged in Commerce's bank account to facilitate the payment of contractors claims. The Standard requires advances received from clients to be disclosed as a liability. Cash received against advance claims is estimated to be \$4.3M as at 30 June 2008 (\$39M as at 30 June 2007).

Advance claims shown in the Balance Sheet as a current liability are as follows:

	Consolidated		Department of Commerce	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Advance Claims as per Balance Sheet (refer Note 18)	58,546	64,261	58,546	64,261

## 12. CURRENT / NON-CURRENT ASSETS - INVENTORIES

	Consolidated		Department of Commerce	
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000
<b>Current</b>				
Finished goods - at cost	470	638	470	638
	470	638	470	638
<b>Non-current</b>				
Finished goods - at cost	4,924	5,529	4,924	5,529
	4,924	5,529	4,924	5,529

## 13. CURRENT ASSETS - FINANCIAL ASSETS AT FAIR VALUE

	Consolidated		Department of Commerce	
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>				
TCorp Hour-Glass investment facilities	25,361	24,855	25,361	24,855
	25,361	24,855	25,361	24,855

## 14. CURRENT / NON-CURRENT ASSETS - OTHER

	Consolidated		Department of Commerce	
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000
<b>Current Assets</b>				
Prepaid superannuation	43,058	50,857	43,058	50,857
Other prepayments	14,014	11,436	13,953	11,408
Deferred tax assets	285	173	-	-
Other	77	87	77	86
	57,434	62,553	57,088	62,351
<b>Non-Current Assets</b>				
Deferred tax assets	452	113	-	-
	452	113	-	-

**Prepaid Superannuation****Accounting Policy**

Superannuation liabilities relating to the commercial operations are fully funded by the Department and actuarial gains and losses are recognised in the profit or loss in the year they occur.

**Fund Information**

The Pooled Fund holds in trust the investments of the closed NSW public sector superannuation schemes:

- State Superannuation Scheme (SSS);
- State Authorities Superannuation Scheme (SASS);
- State Authorities Non Contributory Superannuation Scheme (SANCS).

These schemes are all defined benefit schemes - at least a component of the final benefit is derived from a multiple of member salary and year of membership. All the schemes are closed to new members.

### Reconciliation of the Present Value of the Defined Benefit Obligations

A reconciliation of the present value of the defined benefit obligation for the financial year to 30 June 2008 is as follows:

	<b>SASS \$'000</b>	<b>SANCS \$'000</b>	<b>SSS \$'000</b>	<b>Total \$'000</b>
Present value of defined benefit obligations at beginning of the year	116,734	29,975	653,902	800,611
Current service cost	3,491	1,616	4,307	9,414
Interest cost	7,205	1,827	40,831	49,863
Contributions by fund participants	2,004	0	4,828	6,832
Actuarial (gains)/losses	(1,999)	717	(14,588)	(15,870)
Benefits paid	(8,921)	(3,921)	(35,060)	(47,902)
<b>Present value of defined benefit obligations at end of the year</b>	<b>118,514</b>	<b>30,214</b>	<b>654,220</b>	<b>802,948</b>

Comparative information as at 30 June 2007 is as follows:

	<b>SASS \$'000</b>	<b>SANCS \$'000</b>	<b>SSS \$'000</b>	<b>Total \$'000</b>
Present value of defined benefit obligations at beginning of the year	114,784	31,842	684,543	831,169
Current service cost	3,790	1,819	4,913	10,522
Interest cost	6,589	1,797	39,665	48,051
Contributions by fund participants	2,050	0	5,239	7,289
Actuarial (gains)/losses	(3,677)	(1,582)	(44,748)	(50,007)
Benefits paid	(6,802)	(3,901)	(35,710)	(46,413)
<b>Present value of defined benefit obligations at end of the year</b>	<b>116,734</b>	<b>29,975</b>	<b>653,902</b>	<b>800,611</b>

### Reconciliation of the Fair Value of Fund Assets

A reconciliation of the fair value of fund assets for the financial year to 30 June 2008 is as follows:

	<b>SASS \$'000</b>	<b>SANCS \$'000</b>	<b>SSS \$'000</b>	<b>Total \$'000</b>
Fair value of fund assets at beginning of the year	148,242	45,921	898,904	1,093,067
Expected return on fund assets	11,192	3,552	69,580	84,324
Actuarial gains/(losses)	(18,387)	(6,260)	(129,280)	(153,927)
Employer contributions	777	302	1,172	2,251
Contributions by fund participants	2,004	0	4,828	6,832
Benefits paid	(8,921)	(3,921)	(35,060)	(47,902)
<b>Fair value of fund assets at end of the year</b>	<b>134,907</b>	<b>39,594</b>	<b>810,144</b>	<b>984,645</b>

Comparative information as at 30 June 2007 is as follows:

	<b>SASS \$'000</b>	<b>SANCS \$'000</b>	<b>SSS \$'000</b>	<b>Total \$'000</b>
Fair value of fund assets at beginning of the year	135,262	43,680	822,157	1,001,099
Expected return on fund assets	10,078	3,229	61,577	74,884
Actuarial gains/(losses)	6,995	2,641	44,555	54,191
Employer contributions	660	272	1,084	2,016
Contributions by fund participants	2,049	0	5,240	7,289
Benefits paid	(6,802)	(3,901)	(35,709)	(46,412)
<b>Fair value of fund assets at end of the year</b>	<b>148,242</b>	<b>45,921</b>	<b>898,904</b>	<b>1,093,067</b>

## Reconciliation of Assets and Liabilities

A summary of assets and liabilities recognised in the Balance Sheet as at 30 June 2008 is as follows:

	<b>SASS \$'000</b>	<b>SANCS \$'000</b>	<b>SSS \$'000</b>	<b>Total \$'000</b>
Present value of partly funded defined benefit obligation at end of year	118,514	30,214	654,220	802,948
Fair value of fund assets at end of year	(134,907)	(39,594)	(810,144)	(984,645)
Sub Total	(16,393)	(9,380)	(155,924)	(181,697)
Adjustment for limitation on net asset	11,251	6,521	120,867	138,639
Net (asset)/liability	(5,142)	(2,859)	(35,057)	(43,058)

Comparative information as at 30 June 2007 is as follows:

	<b>SASS \$'000</b>	<b>SANCS \$'000</b>	<b>SSS \$'000</b>	<b>Total \$'000</b>
Present value of partly funded defined benefit obligation at end of year	116,734	29,975	653,902	800,611
Fair value of fund assets at end of year	(148,243)	(45,921)	(898,904)	(1,093,068)
Sub Total	(31,509)	(15,946)	(245,002)	(292,457)
Adjustment for limitation on net asset	24,657	12,232	204,711	241,600
Net (asset)/liability	(6,852)	(3,714)	(40,291)	(50,857)

## Expense Recognised in Income Statement

Total expense recognised in Income Statement for the year ended 30 June 2008 is summarised below:

	<b>SASS \$'000</b>	<b>SANCS \$'000</b>	<b>SSS \$'000</b>	<b>Total \$'000</b>
Current service cost	3,490	1,616	4,307	9,413
Interest cost	7,205	1,827	40,831	49,863
Expected return on fund assets (net of expenses)	(11,192)	(3,552)	(69,580)	(84,324)
Actuarial losses/(gains) recognised in year	16,388	6,978	114,692	138,058
Movement in adjustment for limitation on net asset	(13,405)	(5,711)	(83,844)	(102,960)
Expense/(income) recognised	2,486	1,158	6,406	10,050

Comparative information as at 30 June 2007 is as follows:

	<b>SASS \$'000</b>	<b>SANCS \$'000</b>	<b>SSS \$'000</b>	<b>Total \$'000</b>
Current service cost	3,791	1,818	4,913	10,522
Interest cost	6,589	1,797	39,663	48,049
Expected return on fund assets (net of expenses)	(10,078)	(3,229)	(61,577)	(74,884)
Actuarial losses/(gains) recognised in year	(10,672)	(4,223)	(89,301)	(104,196)
Movement in adjustment for limitation on net asset	12,053	4,881	110,523	127,457
Expense/(income) recognised	1,683	1,044	4,221	6,948

## Fund Assets

The percentage invested in each asset class at the Balance Sheet date:

	<b>30 June 2008</b>	<b>30 June 2007</b>
Australian equities	31.6%	33.6%
Overseas equities	25.4%	26.5%
Australian fixed interest securities	7.4%	6.8%
Overseas fixed interest securities	7.5%	6.4%
Property	11.0%	10.1%
Cash	6.1%	9.8%
Other	11.0%	6.8%

## Fair Value of Fund Assets

All Fund assets are invested by STC at arm's length through independent fund managers.

### Expected Rate of Return on Assets

The expected return on assets assumption is determined by weighting the expected long-term return for each asset class by the target allocation of assets to each class. The returns used for each class are net of investment tax and investment fees.

### Actual Return on Fund Assets

A summary of actual return on fund assets for the year ended 30 June 2008 is provided below:

	<b>SASS \$'000</b>	<b>SANCS \$'000</b>	<b>SSS \$'000</b>	<b>Total \$'000</b>
Actual return on fund assets	(9,279)	(2,708)	(57,025)	(69,012)

Comparative figures for the year ended 30 June 2007 are as follows:

	<b>SASS \$'000</b>	<b>SANCS \$'000</b>	<b>SSS \$'000</b>	<b>Total \$'000</b>
Actual return on fund assets	19,096	5,870	115,941	140,907

### Valuation Method and Principal Actuarial Assumptions at the Balance Sheet Date

Details of valuation method and principal actuarial assumptions as at the reporting date are as follows:

#### a) *Valuation Method*

The Projected Unit Credit valuation method was used to determine the present value of the defined benefit obligations and the related current service costs. This method sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

#### b) *Economic Assumptions*

	<b>30 June 2008</b>	<b>30 June 2007</b>
Salary increase rate (excluding promotional increases)	3.5% per annum	4.0% per annum
Rate of CPI increase	2.5% per annum	2.5% per annum
Expected return on assets backing current pension liabilities	8.3% per annum	7.6% per annum
Expected rate of return on assets backing other liabilities	7.3% per annum	7.6% per annum
Discount rate	6.55% per annum	6.4% per annum

#### c) *Demographic Assumptions*

Assumptions with regard to rates of mortality, resignation, retirement and other demographics are those used for the 2006 triennial valuation.

### Funding Arrangements for Employer Contributions

#### a) *Surplus/(Deficit)*

The following is summary of the 30 June 2008 financial position of the Fund calculated in accordance with AAS 25 - Financial Reporting by Superannuation Plans.

	<b>SASS \$'000</b>	<b>SANCS \$'000</b>	<b>SSS \$'000</b>	<b>Total \$'000</b>
Accrued benefit	117,980	30,362	600,845	749,187
Net market value of Fund assets	(134,907)	(39,594)	(810,144)	(984,645)
Net (surplus)/deficit	(16,927)	(9,232)	(209,299)	(235,458)

Comparative figures as at 30 June 2007 are as follows:

	<b>SASS \$'000</b>	<b>SANCS \$'000</b>	<b>SSS \$'000</b>	<b>Total \$'000</b>
Accrued benefit	115,080	29,695	590,076	734,851
Net market value of Fund assets	(148,243)	(45,921)	(898,903)	(1,093,067)
Net (surplus)/deficit	(33,163)	(16,226)	(308,827)	(358,216)



**b) Contributions**

During 2000/01, the SAS Trustees Corporation granted the former DPWS a “superannuation contribution holiday” in respect of contributions to the above schemes. The contribution holiday was extended for the following financial years and continued in 2007/08 for Office of Public Works and Services and NSW Procurement, the commercial groups of the Department.

**c) Funding Method**

The method used to determine the employer contribution recommendations at the last actuarial review was the Aggregate Funding method. The method adopted affects the timing of the cost to the employer.

Under the Aggregate Funding method, the employer contribution rate is determined so that sufficient assets will be available to meet benefit payments to existing members, taking into account the current value of assets and future contributions.

**d) Economic Assumptions**

The economic assumptions adopted for the current actuarial review of the Fund are:

<b>Weighted Average Assumptions</b>	<b>30 June 2008</b>	<b>30 June 2007</b>
Expected rate of return on Fund assets backing current liabilities	7.7% per annum	7.7% per annum
Expected rate of return on Fund assets backing other liabilities	7.0% per annum	7.0% per annum
Expected salary increase rate	4.0% per annum	4.0% per annum
Expected rate of CPI increase	2.5% per annum	2.5% per annum

**Nature of Asset/Liability**

If a surplus exists in the employer's interest in the Fund, the employer may be able to take advantage of it in the form of a reduction in the required contribution rate, depending on the advice of the Fund's actuary.

Where a deficiency exists, the employer is responsible for any difference between the employer's share of fund assets and the defined benefit obligation.

**15. NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT**

**As at 30 June 2008**

	<b>Consolidated</b>		<b>Department of Commerce</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Land and Buildings</b>				
At fair value	83,140	89,846	83,140	89,846
Less: Accumulated depreciation and impairment	2,143	3,105	2,143	3,105
	<b>80,997</b>	<b>86,741</b>	<b>80,997</b>	<b>86,741</b>
<b>Plant and Equipment</b>				
At fair value	919,300	871,515	914,442	865,440
Less: Accumulated depreciation and impairment	295,488	257,950	293,211	253,170
	<b>623,812</b>	<b>613,565</b>	<b>621,231</b>	<b>612,270</b>
<b>Leasehold Improvements</b>				
At fair value	20,892	16,472	20,892	16,472
Less: Accumulated depreciation and impairment	6,375	8,049	6,375	8,049
	<b>14,517</b>	<b>8,423</b>	<b>14,517</b>	<b>8,423</b>
<b>Total Property, Plant and Equipment at Net Carrying Amount</b>	<b>719,326</b>	<b>708,729</b>	<b>716,745</b>	<b>707,434</b>

**As at 30 June 2007**

	<b>Consolidated</b>		<b>Department of Commerce</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Land and Buildings</b>				
At fair value	89,846	25,983	89,846	25,983
Less: Accumulated depreciation and impairment	3,105	907	3,105	907
	<b>86,741</b>	<b>25,076</b>	<b>86,741</b>	<b>25,076</b>
<b>Plant and Equipment</b>				
At fair value	871,515	715,618	865,440	710,084
Less: Accumulated depreciation and impairment	257,950	189,040	253,170	184,878
	<b>613,565</b>	<b>526,578</b>	<b>612,270</b>	<b>525,206</b>

	Consolidated		Department of Commerce	
	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000
<b>Leasehold Improvements</b>				
At fair value	16,472	15,503	16,472	15,503
Less: Accumulated depreciation and impairment	8,049	6,047	8,049	6,047
	8,423	9,456	8,423	9,456
<b>Total Property, Plant and Equipment at Net Carrying Amount</b>	<b>708,729</b>	<b>561,110</b>	<b>707,434</b>	<b>559,738</b>

#### Reconciliation - Consolidated Entity

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current and previous reporting period is set out below:

Year Ended 30 June	Land and Buildings \$'000	Plant and Equipment \$'000	Leasehold Improvements \$'000	Total \$'000
<b>2008 - Consolidated Entity</b>				
Carrying amount at start of year	86,741	613,565	8,423	708,729
Assets transferred - administrative restructure	(9,740)	(2,771)	-	(12,511)
Additions	17	322,543	8,503	331,063
Disposals	(17,181)	(127,009)	(3,469)	(147,659)
Depreciation expense	(1,204)	(165,897)	(2,139)	(169,240)
Revaluation increase	6,577	-	-	6,577
Reclassifications	15,787	(16,619)	3,199	2,367
<b>Carrying amount at end of year</b>	<b>80,997</b>	<b>623,812</b>	<b>14,517</b>	<b>719,326</b>

Year Ended 30 June	Land and Buildings \$'000	Plant and Equipment \$'000	Leasehold Improvements \$'000	Total \$'000
<b>2007 - Consolidated Entity</b>				
Carrying amount at start of year	25,076	526,578	9,456	561,110
Assets transferred - administrative restructure	61,828	18,086	79	79,993
Additions	-	338,438	1,315	339,753
Disposals	(1,199)	(132,097)	(356)	(133,652)
Depreciation expense	(483)	(145,290)	(2,109)	(147,882)
Other reclassifications	1,519	7,850	38	9,407
<b>Carrying amount at end of year</b>	<b>86,741</b>	<b>613,565</b>	<b>8,423</b>	<b>708,729</b>

#### Reconciliation - Parent Entity

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current and previous reporting period is set out below:

Year Ended 30 June	Land and Buildings \$'000	Plant and Equipment \$'000	Leasehold Improvements \$'000	Total \$'000
<b>2008 - Parent Entity</b>				
Carrying amount at start of year	86,741	612,270	8,423	707,434
Assets transferred - administrative restructure	(9,740)	(2,771)	-	(12,511)
Additions	17	320,292	8,503	328,812
Disposals	(17,181)	(126,955)	(3,469)	(147,605)
Depreciation expense	(1,204)	(164,986)	(2,139)	(168,329)
Revaluation increase	6,577	-	-	6,577
Reclassifications	15,787	(16,619)	3,199	2,367
<b>Carrying amount at end of year</b>	<b>80,997</b>	<b>621,231</b>	<b>14,517</b>	<b>716,745</b>

	Land and Buildings \$'000	Plant and Equipment \$'000	Leasehold Improvements \$'000	Total \$'000
<b>Year Ended 30 June</b>				
<b>2007 - Parent Entity</b>				
Carrying amount at start of year	25,076	525,206	9,456	559,738
Assets transferred - administrative restructure	61,828	18,086	79	79,993
Additions	-	337,915	1,315	339,230
Disposals	(1,199)	(132,097)	(356)	(133,652)
Depreciation expense	(483)	(144,690)	(2,109)	(147,282)
Other reclassifications	1,519	7,850	38	9,407
<b>Carrying amount at end of year</b>	<b>86,741</b>	<b>612,270</b>	<b>8,423</b>	<b>707,434</b>

## 16. INTANGIBLE ASSETS

	Consolidated		Department of Commerce	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Gross carrying amount	82,556	100,870	82,556	100,870
Accumulated amortisation and impairment	(37,365)	(48,685)	(37,365)	(48,685)
<b>Net carrying amount</b>	<b>45,191</b>	<b>52,185</b>	<b>45,191</b>	<b>52,185</b>

### Reconciliation - Consolidated Entity

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current and previous financial years are set out below:

	Software \$'000	Total \$'000
<b>Year Ended 30 June</b>		
<b>2008 - Consolidated Entity</b>		
Carrying amount at start of year	52,185	52,185
Additions	3,741	3,741
Depreciation expense	(10,168)	(10,168)
Other reclassifications	(567)	(567)
<b>Carrying amount at end of year</b>	<b>45,191</b>	<b>45,191</b>

	Software \$'000	Total \$'000
<b>Year Ended 30 June</b>		
<b>2007 - Consolidated Entity</b>		
Carrying amount at start of year	58,720	58,720
Assets transferred - administrative restructure	1,874	1,874
Additions	11,787	11,787
Depreciation expense	(10,391)	(10,391)
Other reclassifications	(9,805)	(9,805)
<b>Carrying amount at end of year</b>	<b>52,185</b>	<b>52,185</b>

### Reconciliation - Parent Entity

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current and previous financial years are set out below:

	Software \$'000	Total \$'000
<b>Year Ended 30 June</b>		
<b>2008 - Parent Entity</b>		
Carrying amount at start of year	52,185	52,185
Assets transferred - administrative restructure	-	-
Additions	3,741	3,741
Depreciation expense	(10,168)	(10,168)
Reclassifications / Write Offs	(567)	(567)
<b>Carrying amount at end of year</b>	<b>45,191</b>	<b>45,191</b>

<b>Year Ended 30 June</b>	<b>Software \$'000</b>	<b>Total \$'000</b>
<b>2007 - Parent Entity</b>		
Carrying amount at start of year	58,720	58,720
Additions	1,874	1,874
Disposals	11,787	11,787
Depreciation expense	(10,391)	(10,391)
Other reclassifications	(9,805)	(9,805)
<b>Carrying amount at end of year</b>	<b>52,185</b>	<b>52,185</b>

**17. NON-CURRENT ASSETS (OR DISPOSAL GROUPS) HELD FOR SALE**

	<b>Consolidated</b>		<b>Department of Commerce</b>	
	<b>2008 \$'000</b>	<b>2007 \$'000</b>	<b>2008 \$'000</b>	<b>2007 \$'000</b>
<b>Assets held for sale</b>				
Land and buildings	-	16,000	-	16,000
	<b>-</b>	<b>16,000</b>	<b>-</b>	<b>16,000</b>

**18. CURRENT LIABILITIES - PAYABLES**

	<b>Consolidated</b>		<b>Department of Commerce</b>	
	<b>2008 \$'000</b>	<b>2007 \$'000</b>	<b>2008 \$'000</b>	<b>2007 \$'000</b>
Accrued salaries, wages and on-costs	9,301	10,417	9,301	10,417
Creditors	94,535	97,175	94,145	97,036
Advance claims (refer Note 11)	58,546	64,261	58,546	64,261
Amounts due to contractors for work in progress (refer Note 11)	88,648	98,860	88,648	98,860
Prepaid income	10,072	1,317	10,072	1,317
Other	8,700	5,993	8,379	5,673
	<b>269,802</b>	<b>278,023</b>	<b>269,091</b>	<b>277,564</b>

**19. CURRENT / NON-CURRENT LIABILITIES - BORROWINGS**

	<b>Consolidated</b>		<b>Department of Commerce</b>	
	<b>2008 \$'000</b>	<b>2007 \$'000</b>	<b>2008 \$'000</b>	<b>2007 \$'000</b>
<b>Current Liabilities</b>				
TCorp borrowings	257,838	262,077	257,838	262,077
Other	-	166	-	-
	<b>257,838</b>	<b>262,243</b>	<b>257,838</b>	<b>262,077</b>
<b>Non-Current Liabilities</b>				
TCorp borrowings	290,713	266,230	290,713	266,230
	<b>290,713</b>	<b>266,230</b>	<b>290,713</b>	<b>266,230</b>
<b>Total Borrowings</b>	<b>548,551</b>	<b>528,473</b>	<b>548,551</b>	<b>528,307</b>

The Department has a loan facility with TCorp with a limit of \$650M to fund the State Fleet Leasing Arrangement. Each month funds are drawn from this facility to cover the purchase price of motor vehicles purchased during the previous month. Monthly settlement of principal and interest are made in respect of loan funds drawn down in prior months based on repayment schedules calculated according to individual vehicle lease terms, residuals and capital costs. The monthly settlement also includes repayment of outstanding principal for vehicles disposed of during the preceding month. (Borrowings are recognised at amortised cost using the effective interest method in AASB 139.)

Out of this facility \$548.6M was utilised as at 30 June 2008.

## 20. CURRENT LIABILITIES - PROVISIONS

	Consolidated		Department of Commerce	
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000
<b>Employee benefits and related on-costs</b>				
Recreation leave	31,281	33,947	31,086	33,791
Long service leave	69,992	70,027	69,887	70,007
Payroll tax	8,390	7,570	8,390	7,570
	<b>109,663</b>	<b>111,544</b>	<b>109,363</b>	<b>111,368</b>
<b>Other Provisions</b>				
Provision for Income Tax	-	-	-	-
Provision for transfer to NSW Treasury	8,800	8,800	8,800	8,800
Provision for outstanding claims	4,127	1,856	4,127	1,856
	<b>12,927</b>	<b>10,656</b>	<b>12,927</b>	<b>10,656</b>
<b>Total Current Provisions</b>	<b>122,590</b>	<b>122,200</b>	<b>122,290</b>	<b>122,024</b>
<b>Aggregate employee benefits and related on-costs</b>				
Provisions - current	109,663	111,544	109,363	111,368
Accrued salaries, wages and on-costs (Note 17)	9,301	10,417	9,301	10,417
	<b>118,964</b>	<b>121,961</b>	<b>118,664</b>	<b>121,785</b>
<b>Employee benefits expected to be settled within 12 months from the reporting date</b>				
Recreation leave	19,490	17,098	19,315	16,952
Long service leave	8,145	7,002	8,140	7,000
	<b>27,635</b>	<b>24,100</b>	<b>27,455</b>	<b>23,952</b>
<b>Employee benefits expected to be settled in more than 12 months from the reporting date</b>				
Recreation leave	11,791	16,849	11,771	16,839
Long service leave	61,847	63,025	61,747	63,007
	<b>73,638</b>	<b>79,874</b>	<b>73,518</b>	<b>79,846</b>
<b>Movements in provisions (other than employee benefits)</b>				
Movements in each class of provision during the financial year, other than employee benefits are set out below:				
<b>Provision for Income Tax</b>				
Carrying amount as at beginning of financial year	-	1,046	-	1,046
Provision made during the year	-	-	-	-
Refund during the year	-	-	-	-
Payment during the year	-	1,046	-	1,046
Carrying amount at end of financial year	-	<b>0</b>	-	<b>0</b>
<b>Provision for Transfer to NSW Treasury</b>				
Carrying amount as at beginning of the year	8,800	5,579	8,800	5,579
Provision made during the year	8,800	8,800	8,800	8,800
Special dividend for the year	19,861	-	19,861	-
Payment during the year	(28,661)	(5,579)	(28,661)	(5,579)
Carrying amount at end of financial year	<b>8,800</b>	<b>8,800</b>	<b>8,800</b>	<b>8,800</b>
<b>Provision for Property Services Compensation Fund claims</b>				
Carrying amount as at beginning of the year	1,856	1,856	1,856	1,856
Increase in provision from remeasurement	2,271	-	2,271	-
Carrying amount at end of financial year	<b>4,127</b>	<b>1,856</b>	<b>4,127</b>	<b>1,856</b>
<b>Other Provisions</b>				
Carrying amount as at beginning of the year	708	-	708	-
Provision made during the year	-	708	-	708
Carrying amount at end of financial year	<b>708</b>	<b>708</b>	<b>708</b>	<b>708</b>

## 21. CURRENT / NON-CURRENT LIABILITIES - OTHER

	Consolidated		Department of Commerce	
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000
<b>Current Liabilities</b>				
Liability to Consolidated Fund	734	1,712	734	1,712
Other creditors and accruals	2,906	8,171	1,900	7,651
Deferred tax liabilities	207	75	-	-
	<b>3,847</b>	<b>9,958</b>	<b>2,634</b>	<b>9,363</b>
<b>Non Current Liabilities</b>				
Other	2,357	6,731	760	6,319
Deferred tax liabilities	429	165	-	-
	<b>2,786</b>	<b>6,896</b>	<b>760</b>	<b>6,319</b>

## 22. CHANGES IN EQUITY

	Consolidated		Department of Commerce	
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000
<b><u>Balance at beginning of the financial year</u></b>				
Accumulated funds	525,138	401,411	520,610	397,042
Outside equity interests	(2,717)	(2,838)	-	-
Asset revaluation reserve	18,607	18,607	18,607	18,607
<b>Total</b>	<b>541,028</b>	<b>417,180</b>	<b>539,217</b>	<b>415,649</b>
<b><u>Changes in equity - transactions with owners as owners</u></b>				
Transfer to NSW Treasury for the year	(28,661)	(8,800)	(28,661)	(8,800)
Net transfer due to administrative restructure	(15,014)	93,777	(15,014)	93,777
<b>Total</b>	<b>(43,675)</b>	<b>84,977</b>	<b>(43,675)</b>	<b>84,977</b>
<b><u>Changes in equity - other than transactions with owners as owners</u></b>				
Surplus for the year	74,290	38,696	74,057	38,591
Outside equity interests	176	80	-	-
Increment on revaluation of land and buildings	6,577	-	6,577	-
<b>Total</b>	<b>81,043</b>	<b>38,776</b>	<b>80,634</b>	<b>38,591</b>
<b><u>Total equity as at 30 June 2008</u></b>				
Accumulated funds	555,753	525,138	550,992	520,610
Outside equity interests	(2,541)	(2,717)	-	-
Asset revaluation reserve	25,184	18,607	25,184	18,607
<b>Total</b>	<b>578,396</b>	<b>541,028</b>	<b>576,176</b>	<b>539,217</b>

**Asset Revaluation Reserve**

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets. This accords with the Department's policy on the 'Revaluation of Property, Plant and Equipment', as discussed in Note 1(l).

## 23. COMMITMENTS FOR EXPENDITURE

## (a) Capital Commitments

	Consolidated		Department of Commerce	
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000
Aggregate capital expenditure for the acquisition of information technology equipment and other equipment contracted for at balance date and not provided for:				
Not later than one year	916	2,251	916	2,251
Later than one year and not later than five years	723	364	723	364
Later than five years	-	-	-	-
<b>Total (including GST)</b>	<b>1,639</b>	<b>2,615</b>	<b>1,639</b>	<b>2,615</b>

**(b) Other Expenditure Commitments**

Aggregate other expenditure for the acquisition of office supplies contracted for at balance date and not provided for:

	<b>Consolidated</b>		<b>Department of Commerce</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Not later than one year	676	709	676	709
Later than one year and not later than five years	-	-	-	-
Later than five years	-	-	-	-
<b>Total (including GST)</b>	<b>676</b>	<b>709</b>	<b>676</b>	<b>709</b>

**(c) Operating Lease Commitments**

Future non-cancellable operating lease rentals not provided for and payable:

	<b>Consolidated</b>		<b>Department of Commerce</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Not later than one year	33,324	31,434	33,324	31,434
Later than one year and not later than five years	86,858	72,314	86,858	72,314
Later than five years	162,018	125,729	162,018	125,729
<b>Total (including GST)</b>	<b>282,200</b>	<b>229,477</b>	<b>282,200</b>	<b>229,477</b>

The Department has entered into operating lease agreements with government agencies and private companies for provision of accommodation, motor vehicles, computers and plant and equipment for the Department's use.

**Property Leases**

Accommodation leases are entered into with the Crown Property Portfolio and private sector companies. The term of accommodation leases range from two to five years with the option for renewal for further terms. The lease agreement allows the lessor to review rents on specified dates. There is no option for the purchase of buildings at the expiry of the lease term. Recurrent outgoings including cleaning, electricity, rates, management fee and public liability insurance is the responsibility of the Department and all repairs and maintenance of a structural or capital nature is the responsibility of the lessor.

**Motor Vehicle Leases**

Motor vehicles for the Department's use are leased from StateFleet (a business unit of the Department of Commerce) under the New South Wales Government motor vehicle leasing arrangement with Macquarie Bank Limited. StateFleet is the fleet manager of the NSW Government for this facility. The motor vehicles are generally leased for a period of up to 36 months and are returned to the lessor on the expiry of the lease term. The cost of maintaining the vehicle including fuel and repair and maintenance is the responsibility of the Department of Commerce.

Penalties are applicable for return of vehicles either more than three months prior to or more than three months later than the lease expiry date. There is no option for purchase of the motor vehicles on expiry of the lease term.

**Computer Leases**

The Department leases standard personal computers from private sector agencies under the NSW Government IT Master Leasing Agreement. The lease term is three years and the computers are returned to the lessor on the expiry of the term. Early termination fee is payable for termination of the contract before the expiry of the contract term. There is no option for the purchase of computers at the expiry of the lease term.

In accordance with NSW Treasury policy on computer leases, the Department has not renewed the leases expiring after 1 July 2004.

**Equipment Leases**

The Department leases equipment, including document reproduction machines and scanning machines, from private sector companies. The lease term is generally five years with the option for renewal for further term. Early termination fee is applicable for termination of the contract before the expiry of the contract term. There is no option for the purchase of equipment at the expiry of the lease term.

The total commitments above include input tax credits of \$25.7M that are expected to be recovered from the Australian Taxation Office.

## 24. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

	Consolidated		Department of Commerce	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
<b>Contingent liabilities</b>				
Estimated legal liability	-	295	-	295
	-	295	-	295

## 25. BUDGET REVIEW

### Net Cost of Services

The actual net cost of services is lower than budget by \$26.2M. The favourable variance is mainly due to higher than budgeted profit on sale of non current assets of \$11.4M compared to a budgeted loss of \$3.2M. The profit is mainly attributed to a positive variance in profit of \$17.2M in StateFleet motor vehicles. Another major factor contributing to the favourable net cost of service variance is the higher than budgeted revenue from retained taxes, fees and fines. Actual revenue from this item was \$57.6M compared to a budget of \$46.2M, a variance of \$11.4M. This is mainly due to an increase of \$11.1M in interest received from the Real Estate Agent's Trust Account.

### Assets and Liabilities

The Department's total assets were \$13.4M higher than the budget mainly due to an increase in motor vehicles. Total liabilities were also higher than budget by \$16.4M. This is mainly due to higher than budgeted TCorp borrowings by \$46.5M partly offset by favourable variances in other liabilities including payables and provisions.

### Cash Flows

Net cash flow for 2007/08 was above budget by \$2.9M. The favourable variance is mainly attributed to lower than budgeted net cash outflow from financing activities of \$42.7M. This was partly offset by unfavourable variances in net cash flows from operating activities of \$24.6M and investing activities of \$15.1M.

Other expenses in the cash flow statement include payments made to contractors on behalf of client agencies and a corresponding amount is included in the sale of goods and services, resulting in a nil impact on the net cash position.

## 26. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO NET COST OF SERVICES

	Consolidated		Department of Commerce	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Net cash used on operating activities	(207,839)	(200,527)	(206,280)	(200,366)
Cash Flows from Government / Appropriations	155,976	171,128	155,976	171,128
Depreciation	179,408	158,273	178,497	157,673
(Decrease)/increase in provisions	545	20,733	266	20,464
(Increase)/decrease in Work in Progress	20,360	(17,829)	20,360	(17,829)
(Increase)/decrease in debtors and prepayments	(28,418)	(18,002)	(28,347)	(17,110)
Increase/(decrease) in advance billings	(5,715)	17,978	(5,715)	17,978
Increase/(decrease) in creditors	(14,961)	(1,893)	(15,046)	(1,841)
Net (gain)/loss on sale of plant and equipment	(11,410)	6,041	(11,410)	6,041
<b>Net cost of services</b>	<b>87,946</b>	<b>135,902</b>	<b>88,301</b>	<b>136,138</b>

## 27. TRUST FUNDS

The Department administers money in a Miscellaneous Trust Fund held at Treasury which is used for payments to Funeral Fund claimants. These monies are excluded from the financial statements as the Department cannot use them for the achievement of its objectives. The following is a summary of the transactions in the trust account:

	Consolidated		Department of Commerce	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
<b>Funeral Fund</b>				
Cash balance at the beginning of the financial year	111	112	111	112
Add: Receipts	-	-	-	-
Less: Expenditure	-	1	-	1
<b>Cash balance at the end of the financial year</b>	<b>111</b>	<b>111</b>	<b>111</b>	<b>111</b>



## 28. SPECIAL PURPOSE FUNDS ADMINISTERED BY THE DEPARTMENT

	Motor Dealers Compensation Fund \$'000	Property Services Compensation Fund \$'000	Statutory Interest Account \$'000	Home Building Administration Fund \$'000
Balance as at the beginning of the year	936	25,960	48,402	23
Receipts	697	3,669	48,215	9,811
Expenditure - Administrative	(285)	(3,525)	(19,310)	(7,604)
Expenditure - Capital	-	-	(2,099)	-
<b>Balance as at the end of the year</b>	<b>1,348</b>	<b>26,104</b>	<b>75,208</b>	<b>2,230</b>

The Motor Dealers Act 1974 established the Motor Dealers Compensation Fund to provide protection to persons who have suffered a loss in connection with a motor vehicle through their dealings with a motor dealer or a car-market operator. Licensing fees paid by full dealers and car-market operators finance the fund. Claims are usually made on the fund when a motor dealer ceases to trade either on a voluntary basis or a forced closure.

The Property, Stock and Business Agents Act 2002 established the Property Services Compensation Fund which is supported by:

- (i) investment income earned on the investments of the fund;
- (ii) contributions or levies paid by licensees; and
- (iii) other lawful receipts.

Under Section 167, the money in the Compensation Fund is applied to:

- (i) payment of claims, as provided by the Act;
- (ii) legal expenses in relation to claims, licensing objections and complaints for cancellation, incurred in relation to the Fund;
- (iii) the expense involved in the administration of the Fund; and
- (iv) other lawful expenses.

The Statutory Interest Account is supported, under Part 11 of the Property, Stock and Business Agents Act 2002, by interest earned on trust money held by agents and investments made by the Department.

Under Section 189, the Statutory Interest money may be applied to:

1. Any purpose for which it is required or permitted to be applied by or under this or any other Act.
2. The Director-General may, with the consent of the Minister, apply money held in the Statutory Interest Account for all or any of the following purposes:
  - (i) supplementing the Compensation Fund by such amount as may be needed to enable the current liabilities of the fund to be met;
  - (ii) providing grants or loans for providing or undertaking education or research programs relating to the property services industry (as defined in Section 251 of the *Fair Trading Act 1987*) and approved by the Minister;
  - (iii) providing money for the establishment or administration of rental advisory services;
  - (iv) meeting the costs of administering this Act, the *Conveyancers Licensing Act 1995*, the *Valuers Registration Act 1975* and any other Act prescribed by the regulations for the purposes of this paragraph (or the prescribed provisions of any other Act);
  - (v) meeting the costs of the administration of the Property Services Advisory Council;
  - (vi) meeting the costs of operating a scheme or schemes for resolving disputes arising between consumers and providers of property services;
  - (vii) investing in schemes that relate to the provision of residential accommodation or, subject to such terms and conditions as may be prescribed by the regulations, in loans to authorised deposit-taking institutions.
3. The Treasurer may determine whether any such money is to be invested in any such scheme or loan and the amount to be invested in a scheme or loan.

The Home Building Administration Fund is supported by:

- (i) prescribed fees for contractor licences, registration certificates, owner-builder permits and building consultancy licences;
- (ii) investment income earned on the investments of the Fund; and
- (iii) other lawful receipts.

Under Section 114 of the Home Buildings Act 1989, money in the Home Building Administration Fund is applied to:

- (i) meeting the costs of operating the scheme;
- (ii) meeting the costs of administering the Home Building Act 1989; and
- (iii) the making of any authorised investments.

## 29. ADMINISTERED ASSETS AND LIABILITIES

	Consolidated		Department of Commerce	
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000
<b>Administered Assets</b>				
Licensing Fees	748	925	748	925
<b>Total Administered Assets</b>	<b>748</b>	<b>925</b>	<b>748</b>	<b>925</b>
<b>Administered Liabilities</b>				
Liability to Consolidated Fund	748	925	748	925
<b>Total Administered Liabilities</b>	<b>748</b>	<b>925</b>	<b>748</b>	<b>925</b>

## 30. ADMINISTERED REVENUE AND EXPENSES

### (a) Public and Trust Monies

	Public Monies	Unclaimed Wages	Entertainment Industry Bonds
	\$'000	\$'000	\$'000
Balance as at the beginning of the year	28	191	154
Receipts	117	73	51
Expenditure	(132)	(1)	(18)
<b>Balance as at the end of the year</b>	<b>13</b>	<b>263</b>	<b>187</b>

#### (i) Public Monies

This represents amounts collected, by Industrial Inspectors acting as intermediaries, in disagreements between employees and employers. The amounts are paid by one party to be onforwarded to the other.

#### (ii) Unclaimed Wages

Under Section 122 of the *Industrial Relations Act 1996*, if an employer is unable to make full payment of remuneration to an employee because that employee cannot be found, must after 30 days send that money to Treasury. Treasury requires that this money be sent to the Office of Industrial Relations for payment to employees upon application.

#### (iii) Entertainment Industry Bonds

Under Section 40 of the Entertainment Industry Act 1989, entertainment industry agents and managers are to establish trust accounts for performers' monies and lodge a bond with the Entertainment Industry Council. Section 41 of the Act deals with the Application/Release of bonds lodged with the Council. The Office of Industrial Relations maintains a register of the bonds lodged/released.

### (b) Crown Revenue

	Consolidated		Department of Commerce	
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000
Certificate and Licences*	73,039	54,351	73,039	54,351
Fines and Fees	624	628	624	628
Motor vehicle lease fee	7,882	31,147	7,882	31,147
Other	-	4,304	-	4,304
	<b>81,545</b>	<b>90,430</b>	<b>81,545</b>	<b>90,430</b>

\* Certificate and Licences income includes income received in advance of \$15,421,000 as at 30 June 2008 due to the introduction of three year home building licences during the financial year.

**31. ADMINISTERED REVENUE - DEBTS WRITTEN OFF**

	Consolidated		Department of Commerce	
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000
Business Name Registration	14	17	14	17
Home Building Penalties	1	11	1	11
	<b>15</b>	<b>28</b>	<b>15</b>	<b>28</b>

**32. ADMINISTERED REVENUE - SCHEDULE OF UNCOLLECTED AMOUNTS****Schedule of Uncollected Amounts**

	Consolidated		Department of Commerce	
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000
Home building fees	266	238	280	238
Business registrations	15	11	15	11
Trade measurement	14	9	-	9
Other	-	-	-	-
<b>Total Administered Assets</b>	<b>295</b>	<b>258</b>	<b>295</b>	<b>258</b>

**Aged Analysis of Administered Revenue**

	Consolidated		Department of Commerce	
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000
Current	34	2	34	2
Between 30 days and 59 days old	3	5	3	5
Between 60 days and 89 days old	25	2	25	2
Over 90 days old	233	249	233	249
<b>Total Administered Assets</b>	<b>295</b>	<b>258</b>	<b>295</b>	<b>258</b>

**33. FINANCIAL INSTRUMENTS**

The Department's principal financial instruments are outlined below. These financial instruments arise directly from the Department's operations or are required to finance the Department's operations. The Department does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Department's main risks arising from financial instruments are outlined below, together with the Department's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout this financial report.

The Director-General has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Department, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by the Department on a continuous basis.

**(a) Financial Instrument Categories**

Financial Assets	Note	Category	Consolidated		Department of Commerce	
			2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
			Carrying Amount	Carrying Amount	Carrying Amount	Carrying Amount
Class: Cash and cash equivalents	10	Not applicable	403,231	367,338	400,867	365,831
Receivables*	11	Loans and receivable (at amortised cost)	115,515	110,812	114,788	110,145
Financial assets at fair value	13	At fair value through profit or loss - designated as such upon initial recognition	25,361	24,855	25,361	24,855
Class: Payables**	18	Financial liabilities measured at amortised cost	269,802	278,023	269,091	277,564
Borrowings	19	Financial liabilities measured at amortised cost	548,551	528,473	548,551	528,307

\* Excludes statutory receivables and prepayments (ie not within scope of AASB 7)

\*\* Excludes statutory payables and unearned revenue (ie not within scope of AASB 7)

**(b) Credit Risk**

Credit risk arises when there is the possibility of the Department's debtors defaulting on their contractual obligations, resulting in a financial loss to the Department. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from the financial assets of the Department, including cash, receivables, and authority deposits. No collateral is held by the Department. The Department has not granted any financial guarantees.

Credit risk associated with the Department's financial assets, other than receivables, is managed through the selection of counter parties and establishment of minimum credit rating standards. Authority deposits held with NSW TCorp are guaranteed by the State.

**Cash**

Cash comprises cash on hand and bank balances within the NSW Treasury Banking System. Interest is earned on daily bank balances at the monthly average NSW Treasury Corporation (TCorp) 11am unofficial cash rate, adjusted for a management fee to NSW Treasury. The TCorp Hour Glass cash facility is discussed in paragraph (d) below.

**Receivables - Trade Debtors**

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand. Debts which are known to be uncollectable are written off. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors. Sales are made on 30 day terms.

The Department is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. Based on past experience, debtors that are not past due (2008 \$96.9M; 2007 \$90.4M) and not less than three months past due (2008 \$15.7M; 2007 \$15.2M) are not considered impaired and together these represent 94.8% of the total trade debtors. Most of the Department's debtors have a AAA credit rating. There are no debtors which are currently not past due or impaired whose terms have been renegotiated.

The only financial assets that are past due or impaired are "sales of goods and services" in the "receivables" category of the Balance Sheet.

	Consolidated			Department of Commerce		
	Total <sup>1,2</sup> \$'000	Past Due But Not Impaired <sup>1,2</sup> \$'000	Considered Impaired <sup>1,2</sup> \$'000	Total <sup>1,2</sup> \$'000	Past Due But Not Impaired <sup>1,2</sup> \$'000	Considered Impaired <sup>1,2</sup> \$'000
<b>2008</b>						
< 3 months overdue	15,704	15,694	10	15,511	15,501	10
3 months - 6 months overdue	1,499	1,457	42	1,481	1,439	42
> 6 months overdue	4,660	1,967	2,693	4,660	1,967	2,693
<b>2007</b>						
< 3 months overdue	15,161	15,161	-	15,108	15,108	-
3 months - 6 months overdue	4,935	4,858	77	4,896	4,819	77
> 6 months overdue	3,228	381	2,847	3,228	381	2,847

Notes:

1. Each column in the table reports "gross receivables".
2. The ageing analysis excludes statutory receivables, as these are not within the scope of AASB 7 and excludes receivables that are not past due and not impaired. Therefore, the "total" will not reconcile to the receivables total recognised in the Balance Sheet.

### (c) Liquidity Risk

Liquidity risk is the risk that the Department will be unable to meet its payment obligations when they fall due. The Department continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through the use of overdrafts, loans and other advances.

During the current and prior years, there were no defaults or breaches on any loans payable. No assets have been pledged as collateral. The Department's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment or risk.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in Treasurer's Direction 219.01. If trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. Treasurer's Direction 219.01 allows the Minister to award interest for late payment.

The table below summarises the maturity profile of the Department's financial liabilities, together with the interest rate exposure.

	Weighted Average Effective Interest Rate	Nominal Amount*	\$'000 Interest Rate Exposure			Maturity Dates		
			Fixed Interest Rate	Variable Interest Rate	Non-interest Bearing	< 1 Year	1-5 Years	> 5 Years
<b>2008</b>								
<i>Payables Borrowings</i>								
Bank overdraft								
Advances repayable								
TCorp borrowings	-	548,551	-	-	-	257,838	290,713	-
Other loans and deposits								
Finance leases								
		548,551	-	-	-	257,838	290,713	-
<b>2007</b>								
<i>Payables Borrowings</i>								
Bank overdraft								
Advances repayable								
TCorp borrowings	-	528,307	-	-	-	-	-	-
Other loans and deposits	-	-	-	-	-	262,077	266,230	-
Finance leases	-	-	-	-	-	-	-	-
		528,307	-	-	-	262,077	266,230	-

\* The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities and therefore will not reconcile to the Balance Sheet.

**(d) Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Department's exposures to market risk are primarily through interest rate risk on the Department's borrowings and other price risks associated with the movement in the unit price of the Hour Glass Investment Facilities. The Department has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Department operates and the time frame for the assessment (ie until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the Balance Sheet date. The analysis is performed on the same basis for 2007. The analysis assumes that all other variables remain constant.

**Interest Rate Risk**

Exposure to interest rate risk arises primarily through the Department's interest bearing liabilities. This risk is minimised by undertaking mainly fixed rate borrowings, primarily with NSW TCorp. The Department does not account for any fixed rate financial instruments at fair value through profit or loss or as available-for-sale. Therefore, for these financial instruments, a change in interest rates would not affect profit or loss or equity. A reasonably possible change of +/- 1% is used, consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. The Department's exposure to interest rate risk is set out below.

	\$'000				
	Carrying Amount	Profit -1%	Equity -1%	Profit 1%	Equity 1%
<b>2008</b>					
<i>Financial Assets</i>					
Cash and cash equivalents	403,231	(4,032)	(4,032)	4,032	4,032
Financial assets at fair value	25,361	(253)	(253)	253	253
<i>Financial Liabilities</i>					
Borrowings	548,551	(5,485)	(5,485)	5,485	5,485
<b>2007</b>					
<i>Financial Assets</i>					
Cash and cash equivalents	367,338	(3,673)	(3,673)	3,673	3,673
Financial assets at fair value	24,855	(248)	(248)	248	248
<i>Financial Liabilities</i>					
Borrowings	528,473	(5,285)	(5,285)	5,285	5,285

**Other Price Risk - TCorp Hour-Glass Facilities**

Exposure to "other price risk" primarily arises through the investment in the TCorp Hour-Glass Investment Facilities, which are held for strategic rather than trading purposes. The Department has no direct equity investments. The Department holds units in the following Hour-Glass investment trusts:

			Consolidated	
Facility	Investment Sectors	Investment Horizon	2008 \$'000	2007 \$'000
Cash facility	Cash, money market instruments	Up to 1.5 years (pre-June 2008 - up to 2 years)	403,231	367,338
Strategic cash facility	Cash, money market and other interest rate instruments	1.5 years to 3 years	25,361	N/A
Bond market facility (closed June 2008)	Cash, money market instruments, Australian bonds	2 years to 4 years	N/A	24,855

The unit price of each facility is equal to the total fair value of the net assets held by the facility divided by the number of units on issue for that facility. Unit prices are calculated and published daily.

NSW TCorp is trustee for each of the above facilities and is required to act in the best interest of the unit holders and to administer the trusts in accordance with the trust deeds. As trustee, TCorp has appointed external managers to manage the performance and risks of each facility in accordance with a mandate agreed by the parties. However, TCorp acts as manager for part of the Cash Facility. A significant portion of the administration of the facilities is outsourced to an external custodian.

Investment in the Hour-Glass facilities limits the Department's exposure to risk, as it allows diversification across a pool of funds with different investment horizons and a mix of investments.

NSW TCorp provides sensitivity analysis information for each of the investment facilities, using historically based volatility information collected over a ten year period, quoted at two standard deviations (ie 95% probability). The TCorp Hour-Glass Investment facilities are designated at fair value through profit or loss and therefore any change in unit price impacts directly on profit (rather than equity). A reasonably possible change is based on the percentage change in unit price (as advised by TCorp) multiplied by the redemption value as at 30 June each year for each facility (balance from Hour-Glass statement).

	Impact on Profit/Loss		
	Change in Unit Price	2008 \$'000	2007 \$'000
Hour-Glass Investment - Cash Facility	+/- 1.0%	4,032	3,673
Hour-Glass Investment - Strategic Cash Facility	+/- 2.0%	507	N/A
Hour-Glass Investment - Bond Market Facility	+/- 5.0%	N/A	1,243

**(e) Fair Value**

Financial instruments are generally recognised at cost, with the exception of the TCorp Hour-Glass facilities, which are measured at fair value. As discussed, the value of the Hour-Glass Investments is based on the Department's share of the value of the underlying assets of the facility, based on the market value. All of the Hour-Glass facilities are valued using "redemption" pricing.

The amortised cost of financial instruments recognised in the Balance Sheet approximates the fair value, because of the short-term nature of many of the financial instruments.

**34. AFTER BALANCE DATE EVENTS**

The Department is not aware of any circumstances that occurred after balance date which would render particulars included in the financial statements to be misleading.

**END OF AUDITED FINANCIAL STATEMENTS**





GPO BOX 12  
Sydney NSW 2001

## INDEPENDENT AUDITOR'S REPORT

### New South Wales Government Telecommunications Authority and controlled entity

To Members of the New South Wales Parliament

I have audited the accompanying financial report of New South Wales Government Telecommunications Authority (the Authority), and the Authority and its controlled entity (the consolidated entity), which comprises the balance sheet as at 30 June 2008, and the income statement, statement of recognised income and expense and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes. The consolidated entity comprises the Authority and the entity it controlled at the year's end.

#### Auditor's Opinion

In my opinion, the financial report:

- presents fairly, in all material respects, the financial position of Authority and the consolidated entity as of 30 June 2008, and of their financial performance and their cash flows for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations)
- is in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2005.

My opinion should be read in conjunction with the rest of this report.

#### Acting Managing Director's Responsibility for the Financial Report

The Acting Managing Director is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the PF&A Act. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Authority's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates

made by the Acting Managing Director, as well as evaluating the overall presentation of the financial report

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

My opinion does *not* provide assurance:

- about the future viability of the Authority or consolidated entity,
- that they have carried out their activities effectively, efficiently and economically, or
- about the effectiveness of their internal controls.

### Independence

In conducting this audit, the Audit Office of New South Wales has complied with the independence requirements of the Australian Auditing Standards and other relevant ethical requirements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office are not compromised in their role by the possibility of losing clients or income.



Heather Watson  
Director, Financial Audit Services

20 October 2008  
SYDNEY

**NSW GOVERNMENT TELECOMMUNICATIONS AUTHORITY (TELCO)  
FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2008**


**STATEMENT BY THE A/MANAGER DIRECTOR**

Pursuant to the requirements of the *Public Finance and Audit Act, 1983*, I declare that in my opinion:

- (a) The accompanying financial statements exhibit a true and fair view of the financial position and transactions of the NSW Government Telecommunications Authority and its subsidiaries as at 30 June 2008 and the transactions for the period then ended.
- (b) The statements have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983*, the *Public Finance and Audit (General) Regulation, 2005* and the Treasurer's Directions.

Further, I am not aware of any circumstances that would render any particulars included in the financial statements to be misleading or inaccurate.

On behalf of the Authority



**Emmanuel Rodriguez  
A/Managing Director,  
NSW Government Telecommunications Authority**

**Dated 16 October 2008 at Sydney**



## NSW GOVERNMENT TELECOMMUNICATIONS AUTHORITY

**INCOME STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2008**

	Notes	Consolidated		Telco	
		2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
<b>Revenue</b>					
Services and sale of goods	2(a)	7,957	5,642	-	-
Interest received	2(b)	105	85	-	-
Grants received	2(c)	432	619	-	-
<b>Total Revenue</b>		<b>8,494</b>	<b>6,346</b>	<b>-</b>	<b>-</b>
<b>Expenses</b>					
Operating expenses					
Employee related	3(a)	3,188	2,476	-	-
Other operating expenses	3(c)	3,870	3,023	-	-
Depreciation expenses	8	911	600	-	-
Financing expenses	3(b)	170	11	-	-
<b>TOTAL EXPENSES</b>		<b>8,139</b>	<b>6,110</b>	<b>-</b>	<b>-</b>
<b>PROFIT BEFORE TAX</b>		<b>355</b>	<b>236</b>	<b>-</b>	<b>-</b>
Current tax expense	4(a)	-	-	-	-
Deferred tax benefit/(expense)	4(b)	54	(51)	-	-
<b>NET PROFIT AFTER TAX</b>		<b>409</b>	<b>185</b>	<b>-</b>	<b>-</b>
<b>NET PROFIT ATTRIBUTABLE TO MINORITY EQUITY INTEREST</b>		<b>176</b>	<b>80</b>	<b>-</b>	<b>-</b>
<b>NET PROFIT ATTRIBUTABLE TO MEMBERS OF TELCO</b>	17	<b>233</b>	<b>105</b>	<b>-</b>	<b>-</b>

The accompanying notes form part of these statements.

## NSW GOVERNMENT TELECOMMUNICATIONS AUTHORITY

BALANCE SHEET  
AS AT 30 JUNE 2008

	Notes	Consolidated		Telco	
		2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and cash equivalents	5	2,364	1,507	-	-
Trade and other receivables	6	727	667	-	-
Prepayments	7	61	30	-	-
Deferred tax assets		285	173		
<b>Total Current Assets</b>		<b>3,437</b>	<b>2,377</b>	-	-
<b>Non-Current Assets</b>					
Plant and equipment	8	2,581	1,294	-	-
Deferred tax assets		452	113	-	-
Other financial assets	9	-	-	870	870
<b>Total Non-Current Assets</b>		<b>3,033</b>	<b>1,407</b>	<b>870</b>	<b>870</b>
<b>Total Assets</b>		<b>6,470</b>	<b>3,784</b>	<b>870</b>	<b>870</b>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Trade and other payables	10	711	459	-	-
Short-term provisions	11	218	176	-	-
Interest bearing liabilities	12	551	166	-	-
Other	13	455	520	-	-
Deferred tax liabilities		207	75	-	-
<b>Total Current Liabilities</b>		<b>2,142</b>	<b>1,396</b>	-	-
<b>Non-Current Liabilities</b>					
Long-term provisions	14	104	83	-	-
Other	15	171	36	-	-
Interest Bearing Liabilities	16	1,404	293	-	-
Deferred tax liabilities		429	165	-	-
<b>Total Non-Current Liabilities</b>		<b>2,108</b>	<b>577</b>	-	-
<b>Total Liabilities</b>		<b>4,250</b>	<b>1,973</b>	-	-
<b>Net Assets</b>		<b>2,220</b>	<b>1,811</b>	<b>870</b>	<b>870</b>
<b>EQUITY</b>	17				
Retained earnings		4,761	4,528	870	870
Parent entity interest		<b>4,761</b>	<b>4,528</b>	<b>870</b>	<b>870</b>
Minority equity interest		(2,541)	(2,717)	-	-
<b>Total Equity</b>		<b>2,220</b>	<b>1,811</b>	<b>870</b>	<b>870</b>

The accompanying notes form part of these statements.

## NSW GOVERNMENT TELECOMMUNICATIONS AUTHORITY

STATEMENT OF RECOGNISED INCOME AND EXPENSE  
FOR THE YEAR ENDED 30 JUNE 2008

	Notes	Consolidated		Telco	
		2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Net income recognised directly in equity					
<b>NET PROFIT AFTER TAX</b>		409	185	-	-
<b>TOTAL RECOGNISED INCOME FOR THE YEAR</b>		<b>409</b>	<b>185</b>	-	-
Attributable to:					
Members of Telco		233	105	-	-
Minority Interest		176	80	-	-
		<b>409</b>	<b>185</b>	-	-

The accompanying notes form part of these statements.

## NSW GOVERNMENT TELECOMMUNICATIONS AUTHORITY

CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2008

	Notes	Consolidated		Telco	
		2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
<b>Payments</b>					
Payments to suppliers and employees		(6,762)	(5,203)	-	-
Financing costs		(267)	(63)	-	-
<b>Total Payments</b>		<b>(7,029)</b>	<b>(5,266)</b>	-	-
<b>Receipts</b>					
Receipts from customers, grants and rentals		8,483	5,342	-	-
Interest received		105	85	-	-
<b>Total Receipts</b>		<b>8,588</b>	<b>5,427</b>	-	-
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	19	<b>1,559</b>	<b>161</b>	-	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Payments for plant and equipment		(151)	(172)	-	-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(151)</b>	<b>(172)</b>	-	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Net repayment of interest bearing liabilities		(551)	(300)	-	-
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<b>(551)</b>	<b>(300)</b>	-	-
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS HELD</b>		<b>857</b>	<b>(311)</b>	-	-
Cash and cash equivalents at the beginning of the financial year		1,507	1,818	-	-
<b>Cash and cash equivalents at the end of the financial year</b>	5	<b>2,364</b>	<b>1,507</b>	-	-

The accompanying notes form part of these statements.



**NSW GOVERNMENT TELECOMMUNICATIONS AUTHORITY**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2008**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) Reporting Entity**

The NSW Government Telecommunications Authority (Telco), as a reporting entity, comprises Telco in its own right and the Australian Centre for Advanced Computing and Communications Pty Ltd (ac3) in which Telco has a controlling interest.

The mission of Telco, which is a wholly owned subsidiary of the Department of Commerce, is to enable the use of telecommunication infrastructure networks of Government agencies for the common carriage of Government communications and to enable the best commercial advantage to be obtained from any excess network capacity, infrastructure or facilities of Government agencies. Telco is classified as a not-for-profit entity as profit is not its principal objective.

The Australian Centre for Advanced Computing and Communications Pty Ltd (ac3) was registered as a proprietary company limited by shares under the Corporations Act 2001 on 10 November 2000. Telco holds 57% of the shares on behalf of the NSW Government and the remaining 43% are held by eight NSW based Universities. ac3 is a for-profit entity.

This consolidated financial report for the year ended 30 June 2008 has been authorised for issue by the Acting Managing Director on 16 October 2008.

**(b) Basis of Preparation**

The financial statements of the consolidated entity are general purpose financial reports which have been prepared in accordance with:

- (i) applicable Australian Accounting Standards, which include Australian Accounting Interpretations;
- (ii) the requirements of the Public Finance and Audit Act 1983 and Regulation; and
- (iii) the Financial Reporting Directions issued by the Treasurer.

Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial report.

The financial report has been prepared on an accrual basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of account has been applied.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

At the reporting date, a number of Accounting Standards adopted by the AASB had been issued but are not yet operative and have not been early adopted by Telco.

It is considered that the implementation of these Standards will not have any material impact on Telco's financial results.

**(c) Basis of Consolidation**

The consolidated financial statements are prepared by combining the financial statements of all the entities that comprise the consolidated entity, being Telco (the parent entity) and its controlled entities as defined in the Accounting Standard AASB 127 Consolidated and Separate Financial Statements. Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements.

The consolidated financial statements include the information and results of each controlled entity from the date on which Telco obtains control and until such time as Telco ceases to control such entity.

In preparing the consolidated financial statements, all intercompany balances and transactions, and unrealised profits arising within the consolidated entity are eliminated in full.

**(d) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

**(e) Trade Receivables**

Trade receivables are recognised and carried at original invoice amount less allowance for doubtful debts. Trade receivables are due for settlement no more than 30 days from the date of recognition.

Collectability of trade receivables is reviewed on an ongoing basis. Receivables which are known to be uncollectible are written off. An allowance for doubtful receivables is established when there is objective evidence that Telco will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance is recognised in the income statement.

**(f) Capitalisation Thresholds**

Items of plant and equipment are capitalised when their costs exceed the threshold of \$1,000 and they meet the definition and recognition criteria for an asset.

**(g) Acquisition of Assets**

Assets acquired are recorded at the cost of acquisition, being the purchase consideration determined as at the date of acquisition plus costs incidental to the acquisition.

**(h) Plant and Equipment**

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Physical plant and equipment is valued in accordance with the "Guidelines for the Valuation of Physical Non-Current Assets at Fair Value" (TPP 07-01). Telco's non current assets are non-specialised assets with short useful lives. They are measured at depreciated historical cost, as a surrogate for fair value.

The carrying amount of plant and equipment is reviewed annually by management to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal.

Subsequent costs are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period they are incurred.

**(i) Depreciation of Plant and Equipment**

The depreciable amount of all fixed assets including capitalised leased assets is depreciated or amortised on a straight line basis over their useful lives commencing from the time the asset is held ready for use. Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Major depreciation periods are:

Plant and Equipment	4-8 years
Furniture and Fittings	5 years

The assets' residual value and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

**(j) Impairment of Assets**

At each reporting date, Telco reviews the carrying values of its assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

**(k) Leases**

Leases of plant and equipment, where substantially all the risks and benefits incidental to ownership of the asset, but not legal ownership, are transferred to Telco are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the fair value of the leased property.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the economic entity will obtain ownership of the asset or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

**(l) Financial Instruments****Recognition**

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligation exist. Subsequent to initial recognition these instruments are measured as set out below.

**Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

**Financial liabilities**

Non-derivative financial liabilities are recognised at amortised cost, comprising of original debt less principal payments and amortisation.

**Impairment**

At each reporting date, Telco assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the income statement.

**(m) Other Financial Assets**

Telco's investment in ac3 is classified as a financial asset carried at impaired cost. Investments in equity instruments must be measured at fair value, unless they do not have a quoted market price in an active market and then must be valued at cost. ac3 is a proprietary company and does not have a quoted market price, nor is there an active market for ac3 shares.

**(n) Trade and Other Payables**

Liabilities for trade creditors and other amounts are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received.

**(o) Revenue Recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured.

The following specific recognition criteria must also be met before revenue is recognised:

**Sale of goods** - Control of goods has passed to the buyer.

**Rendering of Services** - Where the contract outcome can be reliably measured, control of the right to be compensated for the services and the stage of completion can be reliably measured. Where the contract outcome cannot be reliably measured, revenue is recognised only to the extent that costs have been incurred.

**Interest** - Control of the right to receive the interest payment.

**(p) Income Tax**

Telco is a tax-exempt entity. Telco's subsidiary is not tax exempt and applies the following policy:

The income tax expense for the year comprises current income tax expense and deferred tax expense. Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities are therefore measured at the amounts expected to be paid. Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses. Current and deferred income tax expense is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur.

**(q) Employee Entitlements**

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave, sick leave and long service leave. Liabilities arising in respect of wages and salaries, annual leave, sick leave and any other employee benefits are measured at their nominal amounts using remuneration rates expected to apply at the time of settlement. As the long service leave liabilities expected to be payable in greater than one year are of small dollar value, any present value effect would be immaterial.

**(r) Provisions**

Provisions are recognised when Telco has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. The provisions are discounted to present value when they will be settled later than one year.

**(s) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Balance Sheet are shown inclusive of GST.

**(t) Administrative and Managerial Support**

The Department of Commerce continues to provide expertise, assistance and administrative support to Telco at no charge. Telco's operations are minimal and thus so would be the administration cost. ac3 manages its own affairs.

## 2. REVENUES

### (a) Services and Sale of Goods

	Consolidated		Telco	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Provision of Services	6,270	5,339	-	-
Sale of Goods	1,687	303	-	-
	<b>7,957</b>	<b>5,642</b>	-	-

### (b) Interest Received

	Consolidated		Telco	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Interest	105	85	-	-
	<b>105</b>	<b>85</b>	-	-

### (c) Grants Received

	Consolidated		Telco	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
NCRIS/Australian Partnership for Advanced Computing Grant (APAC)	432	619	-	-
	<b>432</b>	<b>619</b>	-	-

The APAC program was terminated in 2007, and the last payment received by ac3 was June 2007. From July 2007, ac3 has received Federal funding from NCRIS to continue supporting the former APAC programs, and thus payments to universities were from NCRIS in 2008.

### 3. EXPENSES

#### (a) Employee Related Expenses

Employee Related Expenses comprise the following specific items:

	Consolidated		Telco	
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000
Salaries and wages	2,702	2,107	-	-
Superannuation	252	194	-	-
Staff recruitment	24	5	-	-
Payroll tax	146	112	-	-
Annual and long service leave provided	64	58	-	-
	<b>3,188</b>	<b>2,476</b>	-	-

#### (b) Financing Cost

	Consolidated		Telco	
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000
Interest	170	11	-	-
	<b>170</b>	<b>11</b>	-	-

#### (c) Other Operating Expenses

	Consolidated		Telco	
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000
Operating lease rental - minimum lease payments	97	53	-	-
Rent	265	248	-	-
Repairs and maintenance	167	212	-	-
Telecommunications	447	307	-	-
Audit Fees	36	25	-	-
Director's remuneration	104	104	-	-
Membership fees	-	167	-	-
NCRIS/APAC payments	120	473	-	-
Cost of goods sold	1,375	421	-	-
Other	1,259	1,013	-	-
	<b>3,870</b>	<b>3,023</b>	-	-

#### 4. INCOME TAX EXPENSE

##### (a) The components of tax expenses comprise

	Consolidated		Telco	
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000
Prima facie tax payable	107	71	-	-
(30% on profit from ordinary activities before tax)			-	-
Adjustment for temporary differences	37	50	-	-
Recoupment of prior year tax losses	(144)	(121)	-	-
	-	-	-	-

##### (b) Deferred tax benefit/(expense)

	Consolidated		Telco	
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000
Deferred tax assets	737	286	-	-
Deferred tax liabilities	(636)	(239)	-	-
Opening minority equity interest	(20)	(41)	-	-
Opening retained earnings	(27)	(57)	-	-
	54	(51)	-	-

##### (c) Deferred tax assets and liabilities

Until 2008, Telco did not recognise deferred tax assets and liabilities as required by AASB 112 "Income Taxes". The 2007 comparatives have been adjusted to reflect deferred tax assets and liabilities. The net impact of this recognition has an increase in opening retained earnings and minority equity interest of \$57,000 and \$41,000 respectively, as at 1 July 2006.

#### 5. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

	Consolidated		Telco	
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000
Cash at bank and on hand	2,364	1,507	-	-
	2,364	1,507	-	-

##### (a) Reconciliation to cash and cash equivalents at the end of year

Cash assets recognised in the Balance Sheet are reconciled to cash and cash equivalents at the end of the financial year as shown in the Cash Flow Statement as follows:

Cash and cash equivalents (per Balance Sheet)	2,364	1,507	-	-
Closing cash and cash equivalents (per Cash Flow Statement)	2,364	1,507	-	-

##### (b) Cash at bank and on hand

The deposits are bearing floating interest rate of 5.46% (2007 - 4.59%). These funds are at call.

## 6. CURRENT ASSETS - TRADE AND OTHER RECEIVABLES

	Consolidated		Telco	
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000
<b>Current Receivables</b>				
Trade debtors	727	667	-	-
	<b>727</b>	<b>667</b>	<b>-</b>	<b>-</b>

## 7. CURRENT ASSETS - OTHER

	Consolidated		Telco	
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000
<b>Current Assets - Prepayments</b>				
Prepayments - general	61	29	-	-
	<b>61</b>	<b>29</b>	<b>-</b>	<b>-</b>

## 8. NON-CURRENT ASSETS - PLANT AND EQUIPMENT

	Consolidated		Telco	
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000
<b>Plant and Equipment</b>				
At fair value	4,858	6,075	-	-
Accumulated depreciation	(2,277)	(4,781)	-	-
<b>Net Book Value</b>	<b>2,581</b>	<b>1,294</b>	<b>-</b>	<b>-</b>

## Reconciliation - 2008

	Plant and Equipment	Furniture and Fittings	Leased Assets	Total
	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of year	441	58	795	1,294
Additions	198	7	2,047	2,252
Disposals	-	-	(54)	(54)
Depreciation expense	(227)	(16)	(668)	(911)
<b>Carrying amount at the end of year</b>	<b>412</b>	<b>49</b>	<b>2,120</b>	<b>2,581</b>

## Reconciliation - 2007

	Plant and Equipment	Furniture and Fittings	Leased Assets	Total
	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of year	618	90	664	1,372
Additions	167	3	352	522
Depreciation expense	(344)	(35)	(221)	(600)
<b>Carrying amount at the end of year</b>	<b>441</b>	<b>58</b>	<b>795</b>	<b>1,294</b>

## 9. NON-CURRENT ASSETS - OTHER FINANCIAL ASSETS

	Consolidated		Telco	
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000
<b>Other Financial Assets carried at impaired cost</b>				
Shares in ac3 (see Note 1(a))	-	-	870	870
	<b>-</b>	<b>-</b>	<b>870</b>	<b>870</b>



**10. CURRENT LIABILITIES - TRADE CREDITORS AND OTHER PAYABLES**

	<b>Consolidated</b>		<b>Telco</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Trade creditors	390	139	-	-
Sundry creditors and accruals	252	287	-	-
Net GST payable	69	33	-	-
	<b>711</b>	<b>459</b>	<b>-</b>	<b>-</b>

**11. CURRENT LIABILITIES - SHORT-TERM PROVISIONS**

	<b>Consolidated</b>		<b>Telco</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Long service leave	23	20	-	-
Annual leave	195	156	-	-
	<b>218</b>	<b>176</b>	<b>-</b>	<b>-</b>

**12. CURRENT LIABILITIES - INTEREST BEARING LIABILITIES**

	<b>Consolidated</b>		<b>Telco</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Lease liability	551	166	-	-
	<b>551</b>	<b>166</b>	<b>-</b>	<b>-</b>

**13. CURRENT LIABILITIES - OTHER**

	<b>Consolidated</b>		<b>Telco</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Revenue in advance	455	520	-	-
	<b>455</b>	<b>520</b>	<b>-</b>	<b>-</b>

**14. NON-CURRENT LIABILITIES - LONG TERM PROVISIONS**

	<b>Consolidated</b>		<b>Telco</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Liability for Long Service Leave	82	60	-	-
Provision for premises relocation	22	23	-	-
	<b>104</b>	<b>83</b>	<b>-</b>	<b>-</b>

**15. NON-CURRENT LIABILITIES - OTHER**

	<b>Consolidated</b>		<b>Telco</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Revenue in advance	171	36	-	-
	<b>171</b>	<b>36</b>	<b>-</b>	<b>-</b>

**16. NON-CURRENT LIABILITIES - INTEREST BEARING LIABILITIES**

	<b>Consolidated</b>		<b>Telco</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Lease liability	1,404	293	-	-
	<b>1,404</b>	<b>293</b>	<b>-</b>	<b>-</b>

## 17. CHANGES IN EQUITY

	Consolidated		Telco	
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000
<b>Contributed Equity</b>				
Retained earnings:				
Balance at the beginning of the financial year	4,528	4,423	870	870
Net profit attributable to members of Telco	233	105	-	-
<b>Balance at the end of the financial year</b>	<b>4,761</b>	<b>4,528</b>	<b>870</b>	<b>870</b>
<b>Minority Equity Interest</b>				
Minority equity interest in controlled entity comprises:				
Australian Centre for Advanced Computing and Communications Pty Limited	(2,541)	(2,717)	-	-
Represented by:				
Interest in accumulated losses at end of financial year	(5,461)	(5,637)	-	-
Interest in contributed equity	2,920	2,920	-	-
<b>Total Minority Equity Interest</b>	<b>(2,541)</b>	<b>(2,717)</b>	<b>-</b>	<b>-</b>

## 18. COMMITMENTS FOR EXPENDITURE

### (a) Other Expenditure Commitments

	Consolidated		Telco	
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000
Aggregate other expenditure for the acquisition of items as detailed below contracted for at balance date and not provided for:				
Not later than one year	196	118	-	-
Later than one and not later than five years	207	147	-	-
<b>Total (including GST)</b>	<b>403</b>	<b>265</b>	<b>-</b>	<b>-</b>

The total other expenditure commitments above includes input tax credits of \$36,600 that are expected to be recovered from the Australian Taxation Office.

### (b) Operating Lease Commitments

	Consolidated		Telco	
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000
Future non-cancellable operating lease rentals not provided for and payable for accommodation and equipment relating to varying contract periods and suppliers				
Not later than one year	409	325	-	-
Later than one and not later than five years	555	345	-	-
	<b>964</b>	<b>670</b>	<b>-</b>	<b>-</b>

The total accommodation and equipment commitments include input tax credits of \$87,600

**(c) Finance Lease Commitments**

	<b>Consolidated</b>		<b>Telco</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Future non-cancellable finance lease payments payable for equipment				
Not later than one year	712	199	-	-
Later than one and not later than five years	1,584	350	-	-
Minimum lease payments	2,296	549	-	-
Future finance charges	(341)	(90)	-	-
<b>Total (including GST)</b>	<b>1,955</b>	<b>459</b>	<b>-</b>	<b>-</b>
Included in the financial statements as:				
Current interest bearing liabilities	551	166	-	-
Non-Current interest bearing liabilities	1,404	293	-	-
<b>Total Interest bearing liabilities</b>	<b>1,955</b>	<b>459</b>	<b>-</b>	<b>-</b>

**19. RECONCILIATION OF NET PROFIT TO NET CASH FLOWS FROM OPERATIONS**

	<b>Consolidated</b>		<b>Telco</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Net Profit before tax	355	236	-	-
<b>Non-Cash Items</b>				
Depreciation	911	600	-	-
<b>Changes in Assets and Liabilities</b>				
(Increase) in trade and other receivables	(60)	(5)	-	-
(Increase) in other assets	(81)	(25)	-	-
(Decrease)/increase in prepayments	70	(862)	-	-
(Decrease)/increase in trade creditors and provisions	279	269	-	-
(Decrease)/increase in liabilities	85	(52)	-	-
<b>Net Cash Flow from/(used in) Operating Activities</b>	<b>1,559</b>	<b>161</b>	<b>-</b>	<b>-</b>

**20. SEGMENT REPORTING**

The consolidated entity operates in one business and geographical segment, being the provision of Managed Co-location Services in New South Wales.

## 21. FINANCIAL INSTRUMENTS

	Weighted Average Interest Rate		Floating Interest Rate		Fixed Interest Rate Maturing				Non Interest Bearing		Total	
					Within 1 Year		1 - 5 Years					
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
<b>Financial Assets</b>												
Cash	5.46	4.59	2,364	1,507	-	-	-	-	-	-	2,364	1,507
Receivables	-	-	-	-	-	-	-	-	727	667	727	667
Total Financial Assets	-	-	2,364	1,507	-	-	-	-	727	667	3,091	2,174
<b>Financial Liabilities</b>												
Payables	-	-	-	-	-	-	-	-	(711)	(459)	(711)	(459)
Lease Liabilities	-	-	-	-	(712)	(199)	(1,584)	(350)	-	-	(2,296)	(549)
Total Financial Liabilities	-	-	-	-	(712)	(199)	(1,584)	(350)	(711)	(459)	(3,007)	(1,008)
Net Financial Asset/(Liability)			2,364	1,507	(712)	(199)	(1,584)	(350)	16	208	84	1,166

### Market risk

The only component of market risk to which Telco is exposed to is interest rate risk. The interest rate risk is minimal due to fixed interest rates with all loans related to equipment lease agreements through Capital Finance.

### Liquidity risk

The liquidity risk is minimal as Telco has cash reserves available at call in addition to readily accessible standby facilities. Receivables are on terms of no more than 30 days payable from invoice date.

### Price risk

Price risk is minimal due to 80% of revenue being derived from services provided. All capital equipment purchased by Telco on behalf of customers was done so under the agreement of a signed contract and purchase order.

### Capital management

Telco has been using lease finance to preserve working capital, and the purchase/lease threshold has increased as cash reserves have improved.

### Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognise financial assets is the carrying amount of those assets, net of any for doubtful receivables, as disclosed in the balance sheet and notes to the financial report.

Telco does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by ac3.

	<b>Total \$'000</b>	<b>Past Due But Not Impaired \$'000</b>	<b>Considered Impaired \$'000</b>
<b>2008</b>			
Less than 3 months overdue	193	193	-
3 months - 6 months overdue	18	18	-
Greater than 6 months overdue	-	-	-
<b>2007</b>			
Less than 3 months overdue	53	53	-
3 months - 6 months overdue	39	39	-
Greater than 6 months overdue	-	-	-

### Net Fair Values

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the Balance Sheet and in the notes to the financial statements.

## 22. TRANSACTIONS INVOLVING RELATED ENTITIES

In 2007/08 the Telco controlled entity, ac3, received revenue from NSW Department of Commerce for provision infrastructure or provision of infrastructure services amounting to \$1,200,000 and research support income from six universities (The University of Sydney, University of NSW, Wollongong University, Macquarie University, and the University of Western Sydney) of \$700,000 during 2007/08.

## 23. AUDIT FEES

### (a) Telco audit fees

The NSW Department of Commerce paid the audit fees for Telco.

	<b>2008 \$'000</b>	<b>2007 \$'000</b>
Telco audit fees	5,000	6,500
	<b>5,000</b>	<b>6,500</b>

### (b) ac3's audit fee

	<b>2008 \$'000</b>	<b>2007 \$'000</b>
ac3 audit fees (Note 3 (c) Other Operating Expenses)	36,000	25,000
	<b>36,000</b>	<b>25,000</b>

## 24. PAYMENTS TO DIRECTORS

No payment was made to the Directors of Telco in the current financial year and the previous financial year.

Fees paid to the Directors of ac3 totalled \$104,000. (Four in the band \$10,000 - \$19,000; two in the band \$20,000 - \$29,999).

**25. KEY MANAGEMENT PERSONNEL****(a) Details of key management personnel**

Details of the executive officers of ac3 are as follows:

Philip McCrea, Chief Executive Officer and Eric Whitehouse, Chief Financial Officer

**(b) Compensation of key management personnel**

	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>
Short term benefits	386	336
Post-employment benefits	16	29
Other long-term employee benefits	39	32
	<b>441</b>	<b>397</b>

**26. CONTINGENT LIABILITIES AND ASSETS**

The consolidated entity is not aware of any contingent liabilities or assets associated with its operations.

**27. SUBSEQUENT EVENTS**

There were no events occurring after the reporting date requiring disclosure.

**END OF AUDITED FINANCIAL STATEMENTS**



GPO BOX 12  
Sydney NSW 2001

## INDEPENDENT AUDITOR'S REPORT

### Australian Centre for Advanced Computing and Communications Pty Limited

To Members of the New South Wales Parliament

I have audited the accompanying financial report of Australian Centre for Advanced Computing and Communications Pty Limited (the Company), which comprises the balance sheet as at 30 June 2008, the income statement, statement of recognised income and expense, cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

#### Auditor's Opinion

In my opinion, the financial report:

- presents fairly, in all material respects, the financial position of the Company as at 30 June 2008, and its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations)
- is in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2005
- also complies with International Financial Reporting Standards as disclosed in Note 1b.

My opinion should be read in conjunction with the rest of this report.

#### The Directors' Responsibility for the Financial Report

The Directors are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), International Financial Reporting Standards and the PF&A Act. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

In Note 1b, the directors also state, in accordance with Accounting Standard AASB 101 'Presentation of Financial Statements', that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

#### Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the company's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the members of the Board, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

My opinion does *not* provide assurance:

- about the future viability of the Company,
- that it has carried out its activities effectively, efficiently and economically, or
- about the effectiveness of its internal controls.

## Independence

In conducting this audit, the Audit Office of New South Wales has complied with the independence requirements of the Australian Auditing Standards and other relevant ethical requirements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their role by the possibility of losing clients or income.



Heather Watson  
Director, Financial Audit Services

29 September 2008  
SYDNEY



# Australian Centre for Advanced Computing and Communications Pty Ltd

ABN 27 095 046 923

# Contents

Australian Centre for Advanced Computing and Communications Pty Ltd

	PAGE
The Auditor's Report	149
Financial report	
Income statement	155
Balance sheet	156
Statement of recognised income and expense	157
Cash flow statement	158
Notes to the financial statements	159
Directors' declaration	180
Directors' Report	181

This page intentionally left blank

This page intentionally left blank

# Income Statement

for the year ended 30 June 2008

Australian Centre for Advanced Computing and Communications Pty Ltd

	Note	2008 \$'000	2007 \$'000
Revenue	2	8,494	6,346
Employee benefits expense	3	(3,188)	(2,476)
Depreciation expenses		(911)	(600)
Financing expenses		(170)	(11)
Other operating expenses	3	(3,870)	(3,023)
		-----	-----
<b>Profit for the year before tax</b>		355	236
Current tax expense	4	-	-
Deferred tax benefit/(expense)	4	54	(51)
		-----	-----
<b>NET PROFIT AFTER TAX</b>		409	185
		=====	=====

The above income statement should be read in conjunction with the accompanying notes.

# Balance Sheet

as at 30 June 2008

Australian Centre for Advanced Computing and Communications Pty Ltd

	Note	2008 \$'000	2007 \$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	2,364	1,507
Trade and other receivables	6	727	667
Prepayments	7	61	30
Deferred tax assets		285	173
		-----	-----
Total current assets		3,437	2,377
		-----	-----
<b>Non-current assets</b>			
Plant and equipment	8	2,581	1,294
Deferred tax assets		452	113
		-----	-----
Total non-current assets		3,033	1,407
		-----	-----
<b>TOTAL ASSETS</b>		6,470	3,784
		=====	=====
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	9	711	459
Short-term provisions	10	218	176
Interest bearing liabilities	11	551	166
Other current liabilities	12	455	520
Deferred tax liabilities		207	75
		-----	-----
Total current liabilities		2,142	1,396
		-----	-----
<b>Non-current liabilities</b>			
Long-term provisions	10	104	83
Interest bearing liabilities	11	1,404	293
Other non-current liabilities	12	171	36
Deferred tax liabilities		429	165
		-----	-----
Total non-current liabilities		2,108	577
		-----	-----
<b>TOTAL LIABILITIES</b>		4,250	1,973
		=====	=====
<b>NET ASSETS</b>		2,220	1,811
		=====	=====
<b>EQUITY</b>			
Issued capital	13	14,920	14,920
Accumulated losses		(12,700)	(13,109)
		-----	-----
		2,220	1,811
		=====	=====

# Statement of Recognised Income and Expense

for the year ended 30 June 2008

Australian Centre for Advanced Computing and Communications Pty Ltd

	2008 \$'000	2007 \$'000
Net income recognised directly in equity	-	-
Net profit for the year after tax	409	185
	-----	-----
Total Recognised Income and Expense for the year	409	185
	=====	=====

The above statement of changes in equity should be read in conjunction with the accompanying notes.

# Cash Flow Statement

for the year ended 30 June 2008

Australian Centre for Advanced Computing and Communications Pty Ltd

	Note	2008 \$'000	2007 \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers, grants and rentals		8,483	5,342
Payments to suppliers and employees		(6,762)	(5,203)
Financing costs		(267)	(63)
Interest received		105	85
		-----	-----
<b>Net cash provided by operating activities</b>	17	1,559	161
		-----	-----
<b>Cash flows from investing activities</b>			
Payments for plant and equipment		(151)	(172)
		-----	-----
<b>Net cash used in investing activities</b>		(151)	(172)
		-----	-----
<b>Cash flows from financing activities</b>			
Borrowings/(net repayments of interest bearing liabilities)		(551)	(300)
		-----	-----
<b>Net cash provided by financing activities</b>		(551)	(300)
		-----	-----
<b>Net increase/(decrease) in cash and cash equivalents held</b>		857	(311)
<b>Cash and cash equivalents at the beginning of the financial year</b>			
		1,507	1,818
		-----	-----
<b>Cash and cash equivalents at the end of the financial year</b>		2,364	1,507
		=====	=====

The above cash flow statement should be read in conjunction with the accompanying notes.



# Notes to the Financial Statements

for the year ended 30 June 2008

Australian Centre for Advanced Computing and Communications Pty Ltd

NOTE		PAGE
1	Summary of significant accounting policies	160
2	Revenue	166
3	Expenses	167
4	Income tax expense	17
	<i>Current assets</i>	
5	Cash and cash equivalents	168
6	Trade and other receivables	168
7	Prepayments	168
	<i>Non-current assets</i>	
8	Plant and equipment	169
	<i>Current liabilities</i>	
9	Trade and other payables	171
10	Short-term provisions	171
11	Interest bearing liabilities	171
12	Other liabilities	172
	<i>Non-current liabilities</i>	
10	Long-term provisions	171
11	Interest bearing liabilities	171
12	Other liabilities	172
	<i>Equity</i>	
13	Issued Capital	172
14	Related parties disclosures	172
15	Commitments for expenditure	174
16	Segment reporting	175
17	Reconciliation of profit to net cash inflow from operating activities	176
18	Auditor's remuneration	176
19	Financial instruments	177
20	Contingent liabilities and assets	179
21	Subsequent events	179

# Notes to the Financial Statements

for the year ended 30 June 2008

Australian Centre for Advanced Computing and Communications Pty Ltd

## 1 Summary of significant accounting policies

### (a) Reporting entity

The Australian Centre for Advanced Computing and Communications Pty Ltd (ac3) was registered as a proprietary company limited by shares under the Corporations Act 2001 on 10 November 2000 and it's a for profit company. Currently 57% of the shares in this company are held on behalf of the NSW Government by NSW Government Telecommunications Authority (Telco), with the remaining 43% being held by 8 NSW based Universities.

Its registered office and principal place of business is Suite G16, Bay 7, Eveleigh NSW 1430.

This financial report for the year ended 30 June 2008 has been authorised for issue by the Directors on 25<sup>th</sup> September 2008.

### (b) Basis of preparation

#### *Reporting Basis and Conventions*

Due to its size of operations the company is a small proprietary company under the *Corporations Act 2001* and is not required under that Act to prepare a general purpose financial report. Because the company is controlled by a statutory authority (Telco) the company is also a statutory authority under the *Public Finance and Audit Act 1983*. This Act requires the company to prepare a general purpose financial report.

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of account has been applied. All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

The financial report complies with Australian Accounting Standards, which include Australian Accounting Interpretations. The financial report also complies with International Financial Reporting Standards (IFRS).

At the reporting date, a number of Accounting Standards adopted by the AASB had been issued but are not yet operative and have not been early adopted by the company.

It is considered that the implementation of these Standards will not have any material impact on the company's financial results

# Notes to the Financial Statements

for the year ended 30 June 2008

Australian Centre for Advanced Computing and Communications Pty Ltd

## 1 Summary of significant accounting policies continued

### (c) Income tax

The income tax expense for the year comprises current income tax expense and deferred tax expense. Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities are therefore measured at the amounts expected to be paid. Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses. Current and deferred income tax expense is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur.

### (d) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

# Notes to the Financial Statements

for the year ended 30 June 2008

Australian Centre for Advanced Computing and Communications Pty Ltd

## 1 Summary of significant accounting policies continued

### (e) Trade receivables

Trade receivables are recognised and carried at original invoice amount less allowance for doubtful debts. Trade receivables are due for settlement no more than 30 days from the date of recognition.

Collectability of trade receivables is reviewed on an ongoing basis. Receivables which are known to be uncollectible are written off. An allowance for doubtful receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance is recognised in the income statement.

### (f) Acquisition of assets

Assets acquired are recorded at the cost of acquisition, being the purchase consideration determined as at the date of acquisition plus costs incidental to the acquisition.

### (g) Plant and equipment

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Physical plant and equipment is valued in accordance with the "Guidelines for the Valuation of Physical Non-Current Assets at Fair Value" (TPP 07-01). ac3's non current assets are non-specialised assets with short useful lives. They are measured at depreciated historical cost, as a surrogate for fair value.

The carrying amount of plant and equipment is reviewed annually by management to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal.

Subsequent costs are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period they are incurred.

# Notes to the Financial Statements

for the year ended 30 June 2008

Australian Centre for Advanced Computing and Communications Pty Ltd

## 1 Summary of significant accounting policies continued

### (h) Depreciation and Amortisation

The depreciable amount of all fixed assets including capitalised leased assets is depreciated or amortised on a straight line basis over their useful lives commencing from the time the asset is held ready for use. Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Major depreciation periods are:-

Plant and equipment	4-8 years
Furniture and fittings	5 years

The assets' residual value and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

### (i) Impairment of assets

At each reporting date, the company reviews the carrying values of its assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

### (j) Leases

Leases of plant and equipment, where substantially all the risks and benefits incidental to ownership of the asset, but not legal ownership, are transferred to the company are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the fair value of the leased property.

Leased assets are amortised on a straight line basis over their estimated useful lives where it is likely that the economic entity will obtain ownership of the asset or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

# Notes to the Financial Statements

for the year ended 30 June 2008

Australian Centre for Advanced Computing and Communications Pty Ltd

## 1 Summary of significant accounting policies *continued*

### (k) Financial instruments

#### *Recognition*

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligation exist. Subsequent to initial recognition these instruments are measured as set out below.

#### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

#### *Financial liabilities*

Non-derivative financial liabilities are recognised at amortised cost, comprising of original debt less principal payments and amortisation.

#### *Impairment*

At each reporting date, the company assess whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the income statement.

### (l) Employee entitlements

Provision is made for employee entitlement benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave, and long service leave. Liabilities arising in respect of wages and salaries, annual leave, long service leave and any other employee entitlements are measured at their nominal amounts using remuneration rates expected to apply at the time of settlement. As the long service leave liabilities expected to be payable in greater than one year are of small dollar value, any present value effect would be immaterial.

### (m) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. The provisions are discounted to present value when they will be settled later than one year.

# Notes to the Financial Statements

for the year ended 30 June 2008

Australian Centre for Advanced Computing and Communications Pty Ltd

## 1 Summary of significant accounting policies continued

### (n) Revenue recognition

Revenue is recognised to the extent that the economic benefits will flow to the entity and the revenue can be reliably measured:

#### *Sale of goods*

Control of the goods has passed to the buyer.

#### *Rendering of services*

Where the contract outcome can be reliably measured, control of the right to be compensated for the services and the stage of completion can be reliably measured. Where the contract outcome cannot be reliably measured, revenue is recognised only to the extent that costs have been incurred.

#### *Interest*

Control of the right to receive the interest payment.

### (o) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

### (p) Dividends

Dividends are recorded when paid or declared.

# Notes to the Financial Statements

for the year ended 30 June 2008

Australian Centre for Advanced Computing and Communications Pty Ltd

		2008 \$'000	2007 \$'000
<b>2 Revenue</b>			
<b>Revenue from continuing operations</b>			
Provision of Services		6,270	5,339
Sales of Goods		1,687	303
		-----	-----
		7,957	5,642
		-----	-----
<b>Other revenue</b>			
Grants received:			
NCRIS/Australian Partnership for Advanced Computing*	432	619	
Interest received		105	85
		-----	-----
		537	704
		-----	-----
<b>Total revenue</b>	<b>8,494</b>	<b>6,346</b>	
		=====	=====

\*The APAC program was terminated in 2007, and the last payment received by ac3 was June 2007. From July 2007 ac3 has received Federal funding from NCRIS to continue supporting the former APAC programs.

## 3 Expenses

The profit from continuing operations before income tax expense includes the following specific expenses:

		2008 \$'000	2007 \$'000
<b>Employee benefits expense</b>			
Annual and long service leave provided		64	58
Payroll tax	146	112	
Salaries and wages		2,702	2,107
Staff recruitment		24	5
Superannuation		252	194
		-----	-----
<b>Total employee benefits expense</b>		<b>3,188</b>	<b>2,476</b>
		=====	=====



# Notes to the Financial Statements

for the year ended 30 June 2008

Australian Centre for Advanced Computing and Communications Pty Ltd

## 3 Expenses continued

The profit from continuing operations before income tax expense includes the following specific expenses:

	2008	2007	
		\$'000	\$'000
<i>Other expenses</i>			
NCRIS/APAC payments*	120	473	
Audit fees	36	25	
Cost of goods sold		1,375	421
Directors' remuneration	104	104	
Membership fees		-	167
Operating lease rental – minimum lease payments	97	53	
Other expenses		1,259	1,013
Rent	265	248	
Repairs and maintenance	167	212	
Telecommunications		447	307
		-----	-----
Total other expenses		3,870	3,023
		=====	=====

\*The APAC program was terminated in 2007, and the last payment received by ac3 was June 2007. From July 2007, ac3 has received Federal funding from NCRIS to continue supporting the former APAC programs, and thus payments to universities were from NCRIS in 2008.

## 4 Income tax expense

	2008	2007
	\$'000	\$'000
(a) The components of tax expense comprise:		
Prima facie tax payable	107	71
(30% on profit from ordinary activities before tax)		
Adjustment for temporary differences	37	50
Recoupment of prior year tax losses	(144)	(121)
	-----	-----
	-	-
	=====	=====
(b) Deferred tax benefit/(expense)		
Deferred tax assets	737	286
Deferred tax liabilities	(636)	(239)
Opening retained earning	(47)	(98)
	-----	-----
	54	(51)
	=====	=====

# Notes to the Financial Statements

for the year ended 30 June 2008

Australian Centre for Advanced Computing and Communications Pty Ltd

## 4 Income tax expense continued

### (c) Deferred tax assets and liabilities

Until 2008, the company did not recognise deferred tax assets and liabilities as required by AASB 112 "Income Taxes". The 2007 comparatives have been adjusted to reflect deferred tax assets and liabilities. The net impact of this recognition has an increase in opening retained earnings of \$98K as at 1 July 2006.

## 5 Cash and cash equivalents

Cash at bank and on hand	2,364	1,507	
		=====	=====

### (a) Reconciliation to cash and cash equivalents at the end of the year

The above figures are reconciled to cash at the end of the financial year as shown in the cash flow statement as follows:

Balance per cash flow statement		2,364	1,507
		=====	=====

### (b) Cash at bank and on hand

The deposits are bearing floating interest rate of 5.46%. (2007– 4.59%). These funds are at call.

## 6 Trade and other receivables

### Current

Trade debtors	727	667	
		=====	=====

## 7 Prepayments

### Current

Prepayments - general		61	30
		=====	=====

# Notes to the Financial Statements

for the year ended 30 June 2008

Australian Centre for Advanced Computing and Communications Pty Ltd

## 8 Plant and equipment

	2008 \$'000	2007 \$'000
Plant and Equipment		
At fair value	1,325	3,398
Accumulated depreciation	(913)	(2,957)
	-----	-----
Total written down value plant and equipment	412	441
	=====	=====
 Furniture and Fittings		
At fair value	244	992
Accumulated depreciation	(195)	(934)
	-----	-----
Total written down value Furniture and Fittings	49	58
	=====	=====
 LEASED ASSETS		
At fair value	3,289	1,685
Accumulated amortisation	(1,169)	(890)
	-----	-----
Total written down value leased assets	2,120	795
	=====	=====
 Total Plant and equipment		
At fair value	4,858	6,075
Accumulated depreciation & amortisation	(2,277)	(4,781)
	-----	-----
Total written down value	2,581	1,294
	=====	=====

# Notes to the Financial Statements

for the year ended 30 June 2008

Australian Centre for Advanced Computing and Communications Pty Ltd

## 8 Plant and equipment continued

Reconciliation – 2008	Plant & Equipment	Furniture & Fittings	Leased Assets	Total
Carrying amount at the beginning of year	441	58	795	1,294
Additions	198	7	2,047	2,252
Disposals	-	-	(54)	(54)
		(16)		
Depreciation/Amortisation expense	(227)	-----	(668)	(911)
	-----	49	-----	-----
Carrying amount at the end of year	412	=====		
	=====		2,120	2,581
Reconciliation - 2007			=====	=====
Carrying amount at the beginning of year		90		
Additions	618	3	664	1,372
Disposals	167	-	352	522
Depreciation/Amortisation expense	-	(35)	-	-
Carrying amount at the end of year	(344)	-----		
	-----	58	-----	-----
	441	=====		
	=====		795	1,294
			=====	=====

# Notes to the Financial Statements

for the year ended 30 June 2008

Australian Centre for Advanced Computing and Communications Pty Ltd

		2008 \$'000	2007 \$'000
<b>9 Trade and other payables</b>			
<b>Current</b>			
Net GST payable		69	33
Sundry creditors and accruals	252	287	
Trade creditors	390	139	
		-----	-----
		711	459
		=====	=====
<b>10 Provisions</b>			
<b>Short-term</b>			
Liability for annual leave	195	156	
Liability for long service leave	23	20	
		-----	-----
		218	176
		=====	=====
<b>Long-term</b>			
Liability for long service leave	82	60	
Provision for premises relocation		22	23
		-----	-----
		104	83
		=====	=====
<b>Employee numbers</b>			
Average number of employees during the financial year		31	24
		=====	=====
<b>11 Interest bearing liabilities</b>			
<b>Current</b>			
Lease liability	551	166	
		=====	=====
<b>Non-current</b>			
Lease liability	1,404	293	
		=====	=====

Details regarding credit risk, including a maturity analysis of the above borrowings are disclosed in Note 18.

# Notes to the Financial Statements

for the year ended 30 June 2008

Australian Centre for Advanced Computing and Communications Pty Ltd

	2008 \$'000	2007 \$'000
<b>12 Other liabilities</b>		
<b>Current</b>		
Income in advance	455	520
	=====	=====
<b>Non-current</b>		
Income in advance	171	36
	=====	=====
<b>13 Issued Capital</b>		
Issued shares, fully paid	14,920	14,920
Accumulated loss	(12,700)	(13,109)
	-----	-----
Closing balance	2,120	1,811
	=====	=====
<i>Movement in accumulated losses</i>		
Opening balance	(13,109)	(13,294)
Net Profit for the year after tax	409	185
Shares issued during the year	-	-
	-----	-----
Closing balance	(12,700)	(13,109)
	=====	=====

## 14 Related party disclosures

### (a) Details of director remuneration

Details of the remuneration of each non-executive director of Australian Centre for Advanced Computing and Communications Pty Ltd are set out in the following table.

	Primary	Post-employment	
Name	Cash salary and fees (\$'000)	Superannuation (\$'000)	Total (\$'000)
L. Botten	25	2	27
R. Dixon	13	1	14
C. Howells	13	1	14
E. More	13	1	14
N. Stevens	27	2	29
R. Wheeler	13	1	14
<b>Total</b>	<b>104</b>	<b>8</b>	<b>112</b>

None of the other directors listed in the directors' report received any remuneration for the financial year ended 30 June 2008.

# Notes to the Financial Statements

for the year ended 30 June 2008

Australian Centre for Advanced Computing and Communications Pty Ltd

## 14 Related party disclosures *continued*

### (b) Details of key management personnel

The names of each person holding the position of director of the company during the financial year are listed in the Directors' Report.

Details of the executive officers are as follows:

Philip McCrea, Chief Executive Officer and Eric Whitehouse, Chief Operating Officer

### (c) Compensation of key management personnel

		2008	2007
		\$'000	\$'000
Short term benefits		386	336
Post-employment benefits	16	29	
Other long-term employee benefits		39	32
		-----	-----
Key management personnel compensation	441	397	
		=====	=====

The remuneration and other terms of employment are formalised in contracts of employment.

### (d) Transactions involving our related entities

The company received revenue from NSW Department of Commerce for provision of infrastructure or provision of infrastructure services amounting to \$1.2 million; in addition, we received income for research support from six universities (The University of Sydney, University of NSW, Wollongong University, Macquarie University, Newcastle University, and University of Western Sydney) to the amount of \$0.7 million during fiscal 2008.

# Notes to the Financial Statements

for the year ended 30 June 2008

Australian Centre for Advanced Computing and Communications Pty Ltd

## 15 Commitments for expenditure

### Other Expenditure commitments

Aggregate other expenditure for the acquisition of items as detailed below contracted for at balance date and not provided for:

*Agreements with various communication suppliers:*

	2007	2008	
		\$'000	\$'000
Minimum commitments payable are as follows:			
Within one year		196	118
Later than one year but not later than five years		207	147
Later than five years		-	-
		-----	-----
		403	265
		=====	=====

The total other expenditure commitments includes input tax credits of \$36,600 that are expected to be recoverable from the Australian Taxation Office.

### Operating leases

Future non-cancellable operating lease rentals not provided for and payable for accommodation and equipment relating to varying contract periods and suppliers.

<i>Accommodation and equipment</i>	2008	2007
	\$'000	\$'000
Minimum commitments payable are as follows:		
Within one year	409	325
Later than one year but not later than five years	555	345
Later than five years	-	-
	-----	-----
	964	670
	=====	=====

The total accommodation and equipment commitments include input tax credits of \$87,600.



# Notes to the Financial Statements

for the year ended 30 June 2008

Australian Centre for Advanced Computing and Communications Pty Ltd

## 15 Commitments for expenditure continued

### Finance leases

Future non-cancellable finance lease payments for equipment relating to varying contract periods and suppliers.

### *Equipment*

Minimum commitments payable are as follows:

	2008 \$'000	2007 \$'000
Within one year	712	199
Later than one year but not later than five years	1,584	350
Later than five years	-	-
	-----	-----
Minimum lease payments	2,296	549
Future finance charges	(341)	(90)
	-----	-----
Present value of minimum lease payments	1,955	459
	=====	=====

Finance leases are disclosed on the balance sheet as follows:

Current interest bearing liability	551	166
Non-current interest bearing liability	1,404	293
	-----	-----
	1,955	459
	=====	=====

## 16 Segment reporting

The company operates in one business and geographical segment, being the provision of Managed Co-location Services in New South Wales.

# Notes to the Financial Statements

for the year ended 30 June 2008

Australian Centre for Advanced Computing and Communications Pty Ltd

	2008 \$'000	2007 \$'000
<b>17 Reconciliation of profit(loss) from ordinary activities to net cash inflows from operating activities</b>		
Profit from ordinary activities before tax	355	236
Depreciation of plant and equipment	911	600
<b>Changes in operating assets and liabilities</b>		
(Increase) in trade and other receivables	(60)	(5)
(Increase) in other assets (81)	(25)	
Increase/(Decrease) in prepaid revenue	70	(862)
Increase in trade creditors and provisions	279	269
Increase/(Decrease) in other liabilities	85	(52)
	-----	-----
<b>Net cash provided by operating activities</b>	<b>1,559</b>	<b>161</b>
	=====	=====

## 18 Auditor's remuneration

The auditor of the Australian Centre for Advanced Computing and Communications Pty Ltd is The Audit Office of NSW.

Amounts due and receivable by the Audit Office of NSW:

### Assurance services

#### Audit services

Audit of the financial report	36	25
	=====	=====

# Notes to the Financial Statements

for the year ended 30 June 2008

Australian Centre for Advanced Computing and Communications Pty Ltd

## 19 Financial instruments

2008	Fixed interest maturing in:					
	Floating interest rate	1 year or less	1 year to 5 years	More than 5 years	Non-interest bearing 1 year or less	Total
<i>Financial assets</i>						
Cash and cash equivalents	2,364	-	-	-	-	2,364
Trade and other receivables	-	-	-	-	727	727
Total financial assets	2,364	-	-	-	727	3,091
Weighted average interest rate	5.46%	n/a	n/a	n/a	n/a	
<i>Financial liabilities</i>						
Trade and other payables	-	-	-	-	711	711
Lease liabilities	-	712	1,584	-	-	2,296
Total financial liabilities	-	712	1,584	-	711	3,007
Weighted average interest rate	n/a	n/a	n/a	n/a	n/a	
Net financial assets	2,364	(712)	(1,584)	-	16	84
2007	Fixed interest maturing in:					
	Floating interest rate	1 year or less	1 year to 5 years	More than 5 years	Non-interest bearing 1 year or less	Total
<i>Financial assets</i>						
Cash and cash equivalents	1,507	-	-	-	-	1,507
Trade and other receivables	-	-	-	-	667	667
Total financial assets	1,507	-	-	-	667	2,174
Weighted average interest rate	4.59%	n/a	n/a	n/a	n/a	
<i>Financial liabilities</i>						
Trade and other payables	-	-	-	-	459	459
Lease liabilities	-	199	350	-	-	549
Total financial liabilities	-	199	350	-	459	1,008
Weighted average interest rate	n/a	n/a	n/a	n/a	n/a	
Net financial assets	1,507	(199)	(350)	-	208	1,166

Company Confidential

# Notes to the Financial Statements

for the year ended 30 June 2008

Australian Centre for Advanced Computing and Communications Pty Ltd

## 19 Financial instruments continued

### Market risk

The only component of market risk to which we are exposed is interest rate risk.

Our Interest rate risk is minimal due to fixed interest rates with all loans related to equipment lease agreements through Capital Finance.

### Liquidity risk

The liquidity risk is minimal as the company has cash reserves available at call in addition to readily accessible standby facilities. Receivables are on terms of no more than 30 days payable from invoice date.

### Price risk

Price risk is minimal due to 80% of revenue being derived from services provided. All capital equipment purchased by the company on behalf of customers was done so under the agreement of a signed contract and purchase order.

### Capital management

We have been using lease finance to preserve our working capital, and the purchase/lease threshold has increased as our cash reserves have improved.

### Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognise financial assets is the carrying amount of those assets, net of any allowance for doubtful receivables, as disclosed in the balance sheet and notes to the financial report.

The company does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the company.

# Notes to the Financial Statements

for the year ended 30 June 2008

Australian Centre for Advanced Computing and Communications Pty Ltd

## 19 Financial instruments continued

The only financial assets that are past due or impaired are 'sales of goods and services' in the 'receivables' category of the balance sheet as per table below.

	Total \$'000	Past due but not impaired \$'000	Considered Impaired \$'000
<b>2008</b>			
Less than 3 months overdue	193	193	-
3 months to 6 months overdue	18	18	-
Greater than 6 months overdue	-	-	-
<b>2007</b>			
Less than 3 months overdue	53	53	-
3 months to 6 months overdue	39	39	-
Greater than 6 months overdue	-	-	-

### Net fair values

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

## 20 Contingent liabilities and assets

AC3 is not aware of any contingent liabilities or assets associated with its operations.

## 21 Subsequent events

There were no events occurring after reporting date requiring disclosure.

# Directors' Declaration


In accordance with a resolution of the directors of the Australian Centre for Advanced Computing and Communications Pty Ltd and pursuant to Section 41C(1C) of the Public Finance and Audit Act 1983, in the opinion of the directors:

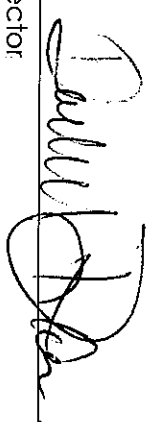
1. The accompanying financial report exhibits a true and fair view of the financial position of the company as at 30 June 2008 and the transactions for the year ended 30 June 2008.
2. The report has been prepared in accordance with the provisions of the Public Finance and Audit Act 1983 and Regulation 2005.

In the directors' opinion, the company will be able to pay its debts as and when they fall due.

Further, we are not aware of any circumstances which would render any particulars in the financial report to be misleading or inaccurate.

This statement is made in accordance with a resolution of the directors.

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

Sydney  
Dated 25 / 06 / 2008

# Directors' Report

Australian Centre for Advanced Computing and Communications Pty Ltd

Your directors present their report on the company for the financial year ended 30 June 2008.

## Directors

The names of the directors in office at any time during or since the end of the year are:

Mr Neville Robert Stevens (Chair)  
 Professor Masud Behnia  
 Professor Lindsay Botten  
 Mr Timothy John Cope  
 Ms Rachel Frances Dixon  
 Mr Tony Gates  
 Mr Emmanuel Rodriguez  
 Mr Christopher Edwin Howells  
 Professor Timothy Robert Marchant  
 Professor Elizabeth Agnes More  
 Mr Robert Charles Wheeler

Mr Cope resigned on 20<sup>th</sup> September 2007. Mr Gates was appointed on 20<sup>th</sup> September, and was replaced by Mr Rodriguez on 28<sup>th</sup> February.

## Principal activities

The company provides professional management of IT infrastructure for clients. The equipment is housed in two data centres located at the Australian Technology Park in Eveleigh, and in the Global Switch complex in Ultimo. In addition to providing a secure and highly available environment for the housing of IT equipment, ac3 staff provides a range of services to clients, based around the ITIL framework. These include backing up servers, connecting computers to the Internet, arranging leased line communications, managing communications networks, managing and monitoring security, routine systems administration (Microsoft, Linux and Solaris), capacity planning, and database administration.

The company manages supercomputers owned by NSW-based Universities, and also participates in a federally funded national program to develop and manage the "eResearch environment" which is increasingly used by researchers on a national basis to access supercomputers, databases, expensive scientific instruments (telescopes, microscopes) and other researchers.

There were no significant changes in the nature of the activities of the company during the year.

## Operating result

The profit for the year after tax amounted to \$409K (2007 \$185K).

## Dividends

No dividend was declared or paid by the directors during the year.

# Directors' Report

Australian Centre for Advanced Computing and Communications Pty Ltd

## **Review of operations**

2007-8 saw the company record another profit after the maiden profit last year. Total income was \$8.5M, an increase of approximately \$2.2M over 2006-7.

The NSW Government continues to be the company's largest client, representing 66% of revenue. Contractual arrangements are in place with 38 agencies for 46 different services. Private sector revenue was \$1.63M from 52 clients, representing 19% of turnover, while revenue from 6 Universities for management of supercomputers was \$776K, representing 9% of turnover.

During the year we received payments of \$430K from NCRIS in support of eResearch and "grid" related activities, and distributed this amount to the same participants, under the NCRIS agreement.

The number of staff employed at June 30 was 36, up from 25 at the beginning of the financial year. Staff costs represent our biggest single expense at \$3.188M, or 56% of all expenses.

## **Future developments and results**

At the date of this report, there are no future developments that the directors are aware of that could affect the future operations of the company.

## **Significant events after balance date**

There were no significant events occurring after balance date.

## **Environmental issues**

The company's operations are not regulated by any particular and significant environmental regulation under a law of the Commonwealth or State.



# Directors'

## Report

Australian Centre for Advanced Computing and Communications Pty Ltd

### Meetings of directors

The following table sets out the numbers of meetings of the company's directors held during the year ended 30 June 2008 and the number of meetings attended by each director.

	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>
Neville Robert Stevens (Chair)	5	5	6	6
Professor Masud Behnia	5	1		
Professor Lindsay Botten	5	4		
Ms Rachel Frances Dixon	5	4	6	6
Mr Emmanuel Rodriguez	3	2		
Mr Tony Gates	2	2		
Mr Christopher Edwin Howells	5	5	6	6
Professor Timothy Robert Marchant	5	4		
Professor Elizabeth Agnes More	5	5		
Mr Robert Charles Wheeler	5	5		
Mr Timothy John Cope	0	0		

**A** = Directors meetings held whilst a director

**B** = Directors meetings attended

**C** = Audit and Finance meetings held whilst a director

**D** = Audit and Finance meetings attended



---

NSW Department of Commerce Annual Report 2007/08

**Appendices**



## Appendix 1 - Accounts payable performance

### Accounts paid on time each quarter

Quarter	Current \$'000	Less than 30 days overdue \$'000	30-60 days overdue \$'000	60-90 days overdue \$'000	more than 90 days overdue \$'000	total \$'000
September Quarter	573,538	16,799	5,733	1,660	2,537	600,267
December Quarter	480,838	20,274	4,593	1,901	1,436	509,041
March Quarter	424,106	25,873	4,291	1,793	2,283	458,346
June Quarter	628,510	20,772	4,356	1,275	3,197	658,110

### Percentage paid on time within each quarter

Quarter	Target %	Actual %	Paid on time \$'000	Total paid \$'000
September Quarter	85	95.5	573,538	600,267
December Quarter	85	94.5	480,838	509,041
March Quarter	85	92.5	424,106	458,346
June Quarter	85	95.5	628,510	658,110

## Appendix 2 - Annual report preparation

The annual report was prepared inhouse. Print and production costs were \$5055.05. This cost includes design and production of new covers and introduction of a new print template. The report is also available online at [www.commerce.nsw.gov.au](http://www.commerce.nsw.gov.au)

## Appendix 3 - Australian Centre for Advanced Computing and Communications

The mission of Australian Centre for Advanced Computing and Communications (ac3) is to provide managed IT services for the information and communications technology needs of government agencies and the university research community in New South Wales.

## Functions of ac3

- provide secure data centre facilities, located at the Australian Technology Park in Eveleigh, and at Global Switch in Ultimo
- to provide competitive facilities for use by commercial clients, including government agencies, for the hosting and management of computing and network equipment.
- to provide high-speed communications to the Internet and access to the NSW Government's Broadband Service
- to provide centralised support for shared university supercomputing activities
- to offer a range of locally sourced products and services over the Internet to external commercial clients.

## Aims and objectives

- to become the preferred location for companies and government agencies requiring full professional services for the management of computing servers and networks
- to provide the underlying computing and network infrastructure for the support of the research community in New South Wales
- to survive on commercially generated revenues and participate in Commonwealth grant schemes as required by the University partners.

## Structure of ac3

The Australian Centre for Advanced Computing and Communications Pty Ltd. was registered as a proprietary company limited by shares under the Corporations Act on 10 November 2000.

Currently, the New South Wales Government Telecommunications Authority holds 57 per cent of the shares in the company on behalf of the NSW Government, with the remaining 43 per cent being held by eight NSW universities.

ac3 has its own staff and reports to a Board of 11 Directors who represent the owners of the company.

## Administration

The company's staff manages the day to day operations of the company.

## Contacting ac3:

Bay 9, Locomotive Workshop

Australian Technology Park

Eveleigh, Sydney

Tel: (02) 9209 4600;

Email: [info@ac3.com.au](mailto:info@ac3.com.au)

## Appendix 4 – Committees and Boards

*Representation key: (c) chairperson; (m) member; (t) trustee*

### Director –General

#### *Commerce*

- Commerce Executive (c)
- State Contracts Control Board (c)
- Building Industry Co-ordination Committee (c)
- Cleaning Contracts Steering Committee (c)
- NSW Government Licensing Project Steering Committee (c)
- Central Corporate Services Unit Management Board (m)
- Home Warranty Insurance Scheme Board (m)
- Risk and Audit Committee (m)
- StateFleet Advisory Board (m)

#### *External*

- Aboriginal Communities Development Program Steering Committee (m)
- Australian Procurement and Construction Council, Council of Chief Executives (m)
- Chief Executive Committee (m)
- Chief Executive Officers Economic and Business Cluster (m)
- Chief Executive Officers Network (m)
- Chief Executives Counter Terrorism Co-ordinating Group (m)
- Government Asset Management Committee (m)
- Greenhouse CEOs Committee (m)
- Industrial Relations Steering Committee (m)
- Metropolitan Water CEOs Committee (m)
- Metropolitan CEOs Group (m)
- State Records Authority of New South Board (m)
- Sustainability in Government CEO's Committee (c)

### Legal and Governance

- Internal Audit Capacity in the Public Sector Performance Review, Implementation Steering Committee – Charlie Sherlock (m)

### Office of Fair Trading

Members of significant statutory bodies and inter-departmental committees:

- Acceptable Standards of Domestic Construction Committee – Paul Dengate (m)
- Anti-Graffiti Action Team – Rod Stowe (m) Diana Holy (m) (alternate Susan Dixon)
- Australasian Consumer Fraud Taskforce – Andrew Wilson (m) Katie Davis (m) Malcolm Finger (m)
- Australia New Zealand Reciprocity Association – Barbara Fernandez (m)
- Builders Licensing Australasia - Barbara Fernandez (m) Steve Newton (m)
- Building and Construction Council (BACC) - Steve Griffin (m)
- Building Industry Co-ordination Committee – Lyn Baker (c) Rod Stowe (m) Steve Griffin (m) Dominic Wong (m)
- Business Information and Services Forum - Daniel Hornas (m) Diane Newcombe (m)
- Central Coast Regional Coordination Management Group - Sean Lonergan (m)
- Council of Australian Governments Action Group – Builder, Carpenter, Bricklayer Occupations – Barbara Fernandez (m)

- Council of Australian Governments Action Group - Motor Mechanics Occupations - Tony Tarplee (m)
- Council of Australian Governments Action Group – Plumbing Occupations – Barbara Fernandez (m)
- Council of Australian Governments Economic Participation and Welfare Reform Sub Group – Andrew Gavrielatos (m)
- Committee on Uniformity of Plumbing and Drainage Regulations in New South Wales - Barbara Fernandez (m)
- Community Relations Commission Hornsby - Wyong Regional Advisory Council - Robyn Cini (m)
- Community Relations Commission Northern Regional Advisory Council - Margaret Munro (m)
- Construction Industry Training Advisory Board - Barbara Fernandez (m)
- Consumer Products Advisory Committee - Brian Given (m) Steve Hutchison (m) Andrew Wilson (m)
- Co-operative Housing & Starr-Bowkett Societies Standards Committee - Christine Gowland (m)
- Co-operative Housing Society Advisory Committee - Brian Given (c)
- Co-operatives Council - Brian Given (c) (delegated by Commissioner)
- Co-operatives National Working Party - Brian Given (c) Michael Bardsley (m) Deborah Kreig (m) Robyne Lunney (m)
- Council of Australian Governments (Council of Australian Governments) Action Group – Electrical Occupations – Barbara Fernandez (m)
- Customer Satisfaction Senior Officers Working Group – Andrew Gavrielatos (m)
- Electrical Regulatory Authorities Council - Steve Hutchison (m) Regina Haertsch (m)
- Fair Trading Advisory Council - Lyn Baker (m)
- Fair Trading Operations Advisory Committee (FTOAC) - Brian Given (m) Andrew Wilson (m) Malcolm Finger (m)
- Financial Counselling Trust Fund - Michael Silk (Trustee)
- Financial Literacy Working Party – Suzanne Crowle (c)
- Fire Protection Systems Working Party – Steve Griffin (m) Kel Nash (m)
- Gas Technical Regulators Committee – Steve Hutchison (m)
- Government Business Education Network - Jenny Waldie (m)
- Hazardous Chemicals Advisory Committee - Steve Hutchison (m)
- Health Claims Regulators Forum – Brian Given (m) Andrew Wilson (m)
- Home Building Advisory Council - Lyn Baker (m)
- Home Warranty Insurance Scheme Board – Lyn Baker (m)
- Housing and Human Services Senior Officers Group - Susan Dixon (m)
- Hunter Regional Coordination Management Group - Paul Coles (m)
- Illawarra Multicultural Council - Paul Humble (m)
- Illawarra Regional Coordination Management Group - Paul Humble (m)
- Korea Tourism Reference Group - Malcolm Finger (m)
- MCCA Working Party on Consumer Policy - Susan Dixon (m)
- Minister for State and Regional Development's Biofuels Expert Panel – Rod Stowe (m)
- Ministerial Council on Consumer Affairs/Standing Committee of Attorneys Joint Working Party on General Residential Tenancy Databases - Diana Holy (m) (alternate Susan Dixon)
- Motor Vehicle Industry Advisory Council - Lyn Baker (m)
- National Education and Information Advisory Taskforce (NEIAT) – Suzanne Crowle (m)
- National Finance/Mortgage Brokers Working Group - Margaret Raffan (c)
- National Indigenous Consumer Strategy Reference Group – Paul Coles (m)
- National Plumbing Regulators Forum – Barbara Fernandez (m)
- National Trade Measurement Working Group - Brian Given (c)
- National Trade Measurement Project - Human Resources Working Group – Andrew Gavrielatos (m)
- North Coast Regional Coordination Management Group - Marilyn Richmond (m)
- NSW Car Theft Action Group - Tony Tarplee (m)
- NSW Financial Counselling Trust Fund - Michael Silk (m) Mark Travers (t)
- NSW Government Licensing Project Steering Committee - Lyn Baker (m)
- NSW Security Industry Council – Rod Stowe (m)



- Partnership Against Homelessness Sub-Committee - Susan Dixon (m)
- Personal Property Securities Reform Consultative Committee – Marilyn Betty (m)
- Planning for Later Life Forum – Katie Davis (m)
- Poisons Advisory Committee - Steve Hutchison (m)
- Products Safety Committee - David Catt (c) Steve Hutchison (m)
- Property and Financial Services Industry Training Advisory Board - Property Committee - Barbara Fernandez (m)
- Property Services Advisory Council - Lyn Baker (m)
- Rental Bond Board - Lyn Baker (c)
- Retirement Village Advisory Council - Lyn Baker (m)
- Revised Interagency Protocol for Responding to Abuse of Older People Training Steering Committee – Gianna Alimeni (m)
- SCOCA Core National Trade Measurement Legislation Working Group - Brian Given (m) Graham Monday (m)
- SCOCA Estate Agents Harmonisation Project – Barbara Fernandez (m)
- SCOCA Property Investment Advice Working Party - Dominic Wong (m)
- SCOCA Working Party Travel Agents Regulatory Scheme Review – Brian Given (c)
- Standing Committee of Officials of Consumer Affairs (SCOCA) - Lyn Baker (m)
- Strata Industry Working Group – Leanne Porter (m), Warren McAllister (m)
- Sydney Water - Water Pressure Management Stakeholder committee – Warren McAllister (m)
- Tourist Consumer Protection Working Group - Malcolm Finger (m)
- Trade Measurement Advisory Committee - Brian Given (m) Andrew Wilson (m) Steve Hutchison (m) Graham Monday (m)
- Trade Measurement Transition Coordinators Forum – Andrew Gavrielatos (m)
- Uniform Consumer Credit Code Management Committee - Margaret Raffan (m)
- Urban Development Institute of Australia-NSW Strata & Community Development Committee – Leanne Porter (m)
- Western Area Regional Coordination Management Group – Kerrie Smith (m)
- Western Sydney Regional Coordination Management Group – Joe D'Ermilio (m)
- Working Group on the Potential for Caravan Parks and Manufactured Home Estates to increase the Supply of Affordable Housing and Tourism Accommodation in NSW – Norman Cossey (m)

## Government Chief Information Office

- AusDIN Portal Group – Steve Smith (c)
- AusDIN Work Group - Steve Smith (c)
- Australian Centre for Advanced Computing & Communications (ac3) Audit Committee - Emmanuel Rodriguez/Colin Griffith (m)
- Australian Centre for Advanced Computing & Communications (ac3) Board -Emmanuel Rodriguez/Colin Griffith (m)
- Australian Interactive Media Industry Association (AIMIA) - Colin Griffith (m)
- Australian Telecommunications Users Group (ATUG) - Colin Griffith
- BGA Program Control Group – Emmanuel Rodriguez (m), David Thomson (c)
- Broadband Management Committee - Emmanuel Rodriguez/Colin Griffith (m)
- Business Intelligence User Group - Michael Lurie (m)
- Chief Information Officers' Executive Council - Emmanuel Rodriguez (m) Colin Griffith (m)
- CIO Executive Council - Investment Sub-Committee - Emmanuel Rodriguez (m)/Colin Griffith (m)
- CPA Technical Centre of Excellence Committee – Michael Lurie (m)
- Crisis Coordination and Communications Capability Sub-Committee (4CSC)
- Cross Jurisdictional Chief Information Officers Committee - Emmanuel Rodriguez/Colin Griffith (m)
- Cross Jurisdictional Chief Information Officer's Committee Working Group on Authentication (this is a Commonwealth group) – Nigel Evans (m)
- Customer Interface Management Web Policy Committee - Tony Gates (Chair)
- Department of Juvenile Justice IM&CT Steering Committee – Bill Butler (m)
- Domain Consultative Committee Australian Government Information Management Office (Federal Government) – Trevor Waters (m)

- Enterprise Project Management User Group - Flavian De Silva (m)
- Government Licensing Project Contract Management Committee - Emmanuel Rodriguez/Colin Griffith (m), Mahajan Padmanathan (m), Liz Mathew (m)
- Government Radio Network Users Group - Tim Jensen [Telstra] (c), Paul Barnes (m), Philip Dahdouh (m), Tony Shaw (m)
- Government Telecommunications Agreements - Contracts Management Committee - (c) Emmanuel Rodriguez (m) / Colin Griffith (m)
- Identity Crime Working Group – Nigel Evans (m)
- Microsoft Service Provision Fund Steering Committee - Emmanuel Rodriguez /Colin Griffith (m)
- National Broadband Development Group - Colin Griffith (m)
- National Coordinating Committee for Government Radiocommunications - Tony Gates (Chair), Phil Read (Non- Voting Delegate)
- National Counter Terrorism Committee - Tony Gates (m)
- National Information Management Advisory Group - Tony Gates (m)
- NFEWC - National Forum Early Warnings to the Community– Stephen Smith (m)
- NSIM – National Spatial and Information Management – Stephen Smith (m)
- NSIM –Information Management Sub-group – finalising Information Management Strategic Plan – Stephen Smith (m)
- NSW Government Licensing Project Steering Committee - Mahajan Padmanthan, Colin Griffith (m), Lyn Baker (m)
- NSW Government Licensing Project Steering Committee – Mahajan Padmanthan, Colin Griffith (m)
- NSW Govt. Business Education Network – Natasha Scully (m)
- NSW Public Sector Activity Based Costing User Group - Michale Lurie (c)
- Online Council Officials Meeting - Emmanuel Rodriguez /Colin Griffith (m)
- SAP NSW Public Sector User Group - Michael Lurie (l)
- SEMC-DPC - NSW Recovery Plan – Stephen Smith (m)
- Senior Officers Wireless Working Party - Tony Gates (c)
- Shared Services Interjurisdictional User Group - Michael Lurie (m)
- State Emergency Management Committee - Tony Gates (m)
- State Emergency Management Committee (SEMC) –OES projects– Stephen Smith (m)

### *Committees abolished in 2007/08*

- ABS Steering Committee – Jan Aalders (m)
- Attorney Generals NSW Police JusticeLink Interface Project board – Alan Patterson (m) – ceased June 2008
- Channels and Access Service Delivery Working Group - Linda Chin (m)
- Channels and Access Strategy Senior Officers Group – Paul Edgecumbe (to May 07)/Colin Griffith (c), Linda Chin (m), Phil Tout (m)
- Cross-Jurisdictional Reference Group – Australians' Use of and Satisfaction with e-Government Services – Linda Chin (m)
- Department of Natural Resources SAP Quality Assurance Committee - Mark Goleby (m)
- Human Services Access Framework Senior Officer Group – Phil Tout (m), Linda Chin (m)
- NSW Police Mainframe Replacement Program Core Policing Project Steering Committee – Alan Patterson (m) – ceased June 2008
- Records & Document Management User Group - Flavian De Silva (m)

### *Chief Information Officers' Executive Council Working Groups*

In early 2008, the Chief Information Officers' (CIO) Executive Council, responsible for People First, together with the Government Chief Information Office realigned the plan to ensure it was:

- More client focused
- Simplified and streamlined - over 60 programs realigned to eight key areas
- Re-prioritised to meet government needs and agency interests.

As a result, the working groups, comprised of GCIO staff and representatives of other government agencies, were realigned to meet the new streamlined programs and projects which are Better Government Access, Government Licensing, information management, collaborative government services, application consolidation, infrastructure consolidation, desktop environment and telecommunications.

## Office of Industrial Relations

- Law Society of New South Wales, Employment Law Committee - Lolita Kepars (m).
- Children at Work Taskforce – Catherine Quealey (m)
- NSW Cash Economy Working Group – Stephen Hampson (m). This working group is chaired by Centrelink, and members are drawn from NSW and federal compliance agencies.
- NSW Government Industrial Relations Steering Committee – Pat Manser (m).
- Workplace Research Centre Advisory Board – Pat Manser (m).

### *Discontinued or no longer member during 2007/08*

- NSW Influenza Pandemic Taskforce - Suzanne Ashby (m). Discontinued July 2007
- NSW Skills Council – Pat Manser (m), Suzanne Ashby (m) Discontinued May 2008.

## NSW Procurement

- Australian Procurement and Construction Council Leadership Group – David Callahan (m)
- Construction Agency Coordination Committee – Stuart Wood (c)
- Microsoft Service Provision Fund Steering Committee – Claude Davidson (m)
- Senior Officers Committee – David Callahan (m) Dennis O'Keefe (m)
- State Contracts Control Board – John Lee (c) David Callahan (alternate Chair)
- Action Teams:
  - Working Group for Capital Works Procurement Benchmarking – Inderjeet Singh (c)
  - Working Group for Goods & Services Procurement Benchmarking – Inderjeet Singh (c)
  - Working Group for ICT Procurement Benchmarking – Inderjeet Singh (c)
- Department of Education and Training Strategic Sourcing Steering Committee – Ken Dixon (c), Peter Dowling (m)
- State Fleet Advisory Board – David Callahan (m), Michael Wright (m), Paul Dexter (m)

## Office of Public Works and Services

- ANZAC Memorial's Board of Trustees - Bruce Pettman (Honorary Architect)
- Architects Registration Board of NSW - Peter Mould (m) Peter Poulet (Alternate Member)
- AusHeritage - Bruce Pettman (m)
- Australian Institute of Quantity Surveyors Journal Management Committee - Vincent Shaw (m)
- Australian Institute of Quantity Surveyors National Education Committee - Vincent Shaw (m)
- Australian Institute of Quantity Surveyors, NSW Current Construction Costs Committee - Vincent Shaw (m)
- Australian National Committee on Large Dams – John Lenehan (m)
- Australian National Committee on Large Dams Gravity Dam Design Guidelines Group – John Lenehan (m)
- Australian Water Association – Young Water Professionals Member Ambassador– Kate Miles (m)
- Australian Water Association NSW State Committee – Paul Hackney (m)
- Australian Water Association's representative for NSW Climate Change Fund – Paul Hackney (m)
- BEDP Action Agenda - Peter Mould (m)
- Building Regulation Advisory Committee (BRAC) - Philip Rose (m)
- buildingSMART – International Alliance for Interoperability - Peter Poulet (m)
- Bureau of Meteorology Marine Consultative Committee - Mark Kulmar (m)
- Capital Infrastructure Committee - Peter Poulet (m)
- Centennial Parklands Design Review Panel - Peter Mould (m)

NSW Department of Commerce Annual Report 2007/08 ISSN 1832-1232

© NSW Department of Commerce 2008

- Central Sydney Planning Committee - Peter Mould (m) Margaret Petrykowski (Alternate Member)
- City of Sydney Design Advisory Panel - Peter Mould (m)
- Commerce Sustainability Coordination Network – Peter Poulet (m)
- Dams Safety Committee - Brian Cooper (m & Ministerial Representative)
- Dams Safety Committee, Hydrology Sub Committee - Peter Cloke (m)
- Department of Education and Training Facilities Standards Committee - John Zahn (m) Cecilia Wilson (m)
- Department of Education and Training Maintenance Steering Committee - Brian Baker (m) Christine Wong (m) John Zahn (m)
- ECRL Transport Management Committee - Helen Lochhead (m)
- Fish Passage Reference Group (for Murray Darling Basin Commission) - Brian Cooper (m)
- Illawarra District Emergency Management Committee - Craig Summerhayes (m)
- Integrated Marine Observing System (IMOS) – Ed Couriel (m)
- Interagency Riparian Boundary Working Committee – Sarah Hesse (m)
- International Council on Monuments & Sites (ICOMOS) – Anita Krivickas (Secretary)
- Metropolitan Water CEO's Committee - Will Strachan [representing Director-General]
- Mines Subsidence Board - Phil Carter (m & Ministerial Representative)
- National Committee on Construction Engineering, Engineers Australia - Ashok Verma (m)
- National Engineering Registration Board – Will Strachan (NSW & Ministerial Representative)
- National Trust of Australia (NSW) Board – Helen Lochhead (m)
- National Trust of Australia (NSW) Properties – Helen Lochhead (m)
- National Trust of Australia (NSW) Urban Conservation Committee – Mary Knaggs (m)
- NSW Architects Registration Board - Peter Mould (vp), Peter Poulet (Alternate Member)
- NSW Fluoridation Technical Committee - Allan Li (m)
- NSW Heritage Council - Peter Mould (m) Bruce Pettman (Deputy)
- NSW Heritage Council, Approvals Committee - Peter Mould (c)
- NSW Heritage Council, Technical Advisory Group - Bruce Pettman (c)
- NSW Science Agencies Committee – Will Strachan (m)
- NSW Water Solutions Advisory Board – Brian Baker (c) Will Strachan (m)
- Permanent Committee on Tides and Mean Sea Level – Ed Couriel (m), Sarah Hesse (m)
- Queens Square Law Courts Design Review Panel - Peter Mould (c)
- Road Transport Authority Bridge Urban Design Expert Register - Peter Mould (m)
- Road Transport Authority Bridge Urban Design Panel - Peter Mould (m)
- Road Transport Authority Judging Panel (Design/Sustainability) - Peter Mould (m)
- Royal Australian Institute of Architects Archvision - Peter Mould (m)
- Royal Australian Institute of Architects National Integrated Practice Taskforce - Peter Mould (m)
- Royal Australian Institute of Architects NSW - Education Committee - Peter Poulet (m)
- Royal Australian Institute of Architects NSW - Environment Committee - Peter Poulet (m)
- Royal Australian Institute of Architects NSW - Heritage Committee - Mary Knaggs (m)
- Royal Australian Institute of Architects NSW - Peter Poulet (Chapter Councillor)
- Standards Australia Committee - AS3003 Electrical Installations - Patient areas of hospitals - Barry Sharah (m)
- Standards Australia Committee - AS3003 Electrical Installations - Patient areas of hospitals, Standards Australia Committee - AS3700 Masonry Code of Australia - Vijay Badhwar (m)
- Standards Australia Committee - AS3700 - Vijay Badhwar (m)
- Standards Australia Committee - AS3700 Masonry Code of Australia - Vijay Badhwar (m)
- Standards Australia Committee - BD-004 Earthquakes Standards - Vijay Badhwar (m)
- Standards Australia Committee - BD-26 - Ram Singh (m)
- Standards Australia Committee - BD-98 Clay and Masonry Pavers - Ram Singh (m)
- State Emergency Management Committee - David Wilkins (m, Cabinet appointment), Rick Still (m)
- State Emergency Management Committee, Avian Influenza Subcommittee - David Wilkins (m)
- State War Memorial Committee – Bruce Pettman (m)
- Survey and Mapping Advisory Committee - Greg McIlwaine (m)
- Sustainability in Government Working Group - Roy Craddock (m)
- Sutherland Independent Hearing Assessment Panel - Helen Lochhead (m)

- Sutherland Shire Council Independent Hearing and Assessment Panel (IHAP) – Helen Lochhead (m)
- Sydney Harbour Design Review Panel - Peter Mould (c), Helen Lochhead (m)
- Sydney Olympic Park Authority Design Review Panel - Peter Mould (c)
- Sydney Opera House Trust Conservation Council - Peter Mould (m)
- University of Sydney's Civil Engineering Foundation – Will Strachan (governor)
- University of Technology Sydney, Industry Advisory Network – Will Strachan (m)
- Walsh Bay Project Finance Steering Committee - (m) John Davidson

### *Committees abolished or no longer members in 2007/08*

- Australian Water Association NSW Branch - Annalisa Contos, President (c)
- Australian Water Association Ozwater 2007 Convention Organising Committee – Will Strachan (c)
- Australian Water Association Water Recycling Forum - John Anderson (m)
- International Water Association's Specialist Group on Water Re-use - John Anderson (m)
- Royal Australian Institute of Architects NSW – National Aboriginal Task Force – Dillon Kombumerri (m)

## StateFleet

- Clean Air Healthy Communities Subcommittee – Michael Wright (m)

## Strategic Communications and Government Advertising

- Advertising Federation of Australia Ad School Board – Alun Probert (m)

# Appendix 5 - Consultants

## Engagements over \$30,000

Consultant	Office	Category	Purpose	Expenditure \$
KPMG	Government Chief Information Office	Organisational review	Financial Appraisal & QA Report for Government Licensing System	61,587
George Williams	Office of Industrial Relations	Legislative review	NSW Industrial Relations Inquiry	73,000
Join The Dots Pty Ltd	Office of NSW Procurement	Organisational review	Implementation of change management program	87,257
Doll Martin Associates Pty Ltd	Office of Fair Trading	Information technology	Fair Trading Online Feasibility Study	39,490
<b>Total engagements over \$30,000</b>				<b>261,334</b>

## Engagements Under \$30,000

Office	Category	Expenditure \$
Office of Public Works and Services	Organisational review	3,100

Strategic Communications and Government Advertising	Organisational review	28,560
Office of NSW Procurement	Organisational review	12,600
Total Engagements Under \$30,000		44,260
<b>Total cost of consultancies</b>		<b>305,594</b>

## Appendix 6 - Consumer response

### Office of Fair Trading

The Office of Fair Trading's service delivery standards vary with the nature of the services provided in different divisions of Fair Trading and are set out in the Customer Service Standards. During the year, nearly all standards were met in most areas. Fair Trading operates a customer feedback system, known as "Your Opinion Counts", providing forms that can be lodged at a counter or through the mail or website.

In 2007/08, a total of 152 forms were lodged by consumers and traders which comprised 82 (54%) compliments and 70 (46%) complaints. Compliments expressed praise for various aspects of customer service, especially staff helpfulness and professionalism. The 70 complaints were reviewed and addressed through a process overseen by senior management.

The complaints related to:

Service delays	26%	Accuracy of information given	11%	Other/Misc	24%
Actions of staff	20%	Website	19%		

### Government Chief Information Office

The Government Chief Information Office manages a number of web applications and information sites. More information is available in Appendix 8 Electronic service delivery.

#### *NSW Government Directory*

More than 2,000 emails received and processed - being directory updates from Ministerial offices, agencies and the public. None of these were complaints about the Directory.

#### *GCIO website*

The GCIO website (info\_gcio@commerce.nsw.gov.au) received 853 messages requesting further information or clarification of website issues. No complaints were received.

#### *Government Licensing Service website*

The GLS Website (feedback@licence.nsw.gov.au) received 31 messages. Of these, there were:

#### **Twenty-three minor complaints**

- Errors encountered with website eg browser incompatibility (12)
- Usability of the website (4)
- Other (7)

#### **Eleven general licensing enquiries**

- These were generally resolved directly with website users by the licensing agency concerned

#### **Two compliments**

- "Thank you for the speedy resolution of this. Just some feedback I'd like to commend NSW on making the application process for lotteries licences far more streamlined than other states with

similar requirements. Also I have found customer support from your Department much better than other government departments I have had to deal with. Thanks.”

- “Hi, I love your website.”

## Office of Industrial Relations

The OIR has integrated its complaint handling system into its policies and procedures. This enables people using the OIR's services to understand and be aware of avenues to raise concerns about the quality and timeliness of these services. At all major stages of its services, the OIR provides clients with information about avenues of appeal against decisions made by the Office.

Through the Commerce Results and Services Plan, the OIR has a range of performance standards for the delivery of its major services. During 2007/08, the OIR met or exceeded its major performance targets. In June 2008, the OIR conducted an online survey of its customers, which showed that 86 per cent of customers were satisfied with the overall quality of its services.

## NSW Procurement

### *NSWP Client Support Centre*

In October 2007 the NSW Procurement Client Support Centre was formed to deliver an increased level of service to our customers via a single point of contact. There is a service level agreement (SLA) in place between NSW procurement and government agencies that sets the response time targets for resolving incidents. The Client Support Centre is taking increasing volumes of telephone calls and emails (known as incidents) and delivering a marked improvement in first level customer support ( the calls that are resolved by Client Support Centre staff without referral to another area).

A single point of contact for procurement enquiries 1800 NSW BUY (679 289) was introduced during the year. This channel is being further developed and promoted through the NSW Procurement client services business model.

2007/08 Client Support Centre statistics	
Total number of incidents	19,306
Total number resolved first level	14,446
% first level	74.8%
Total number resolved in SLA	18,215
% calls resolved in SLA	94.3%

2007/08 Client Support Centre statistics by incident type		
smartbuy®	7,824	40.53%
State contracts	4,654	24.11%
NSW eTendering	3,230	16.73%
Others	3,598	18.63%
<b>Total</b>	<b>19,306</b>	<b>100%</b>



## Office of Public Works and Services

Each year NSW Water Solutions and Project Management conduct surveys on projects with external clients.

### *NSW Water Solutions*

NSW Water Solutions' clients indicated a high overall score across 25 survey questions with an average result of 82.6 per cent from 40 surveys. This result, coupled with a high level of repeat business, is indicative of a good level of customer satisfaction.

### *Project Management*

Clients reported improved and high levels of satisfaction with Project Management's performance across almost all key service attributes including management of project risks, understanding and meeting client needs, and quality of staff. Client satisfaction with Project Management services continued to improve and the overall satisfaction score of 83.5 per cent in the 89 surveys was higher than the target of 80 per cent and higher than scores in the previous three surveys.

### *Government Architect's Office*

The Government Architect's Office conducts client satisfaction surveys each year. Surveys were undertaken in 2007/08 to measure client's satisfaction with the Government Architect's Office provision of strategic advice, heritage advice and services, and projects undertaken by the Office. Clients reported high levels of satisfaction rating overall satisfaction on these indicators as 93.3, 95.4 and 86 per cent respectively.

## StateFleet

### *StateFleet customer survey*

StateFleet conducted bi-annual customer satisfaction survey during the reporting year. A mean satisfaction rating of 84 per cent was achieved. The main findings indicated that:

- 98 per cent of surveyed clients were satisfied/very satisfied with ease with which they could access StateFleet personnel when needing assistance.
- 100 per cent of surveyed clients were satisfied/very satisfied with the turnaround time in handling vehicle applications.
- 93 per cent of surveyed clients were satisfied/very satisfied with accuracy of StateFleet lease billings.
- 82 per cent of surveyed clients were satisfied/very satisfied with vehicles being delivered on time.

### *StateFleet annual client conference*

The annual StateFleet conference was held in September 2007. At the all-day conference external presenters discussed the latest industry developments and workshops were held where clients discussed fleet management issues in groups and presented their findings to StateFleet staff and other clients. Ninety-six per cent of clients who attended the conference rated it 'Good to Excellent' in a feedback survey done on the day.

## Appendix 7 – Credit card certification

In accordance with Treasurer's Directions and Premier's Memoranda, the Director-General certified that credit card use during 2007/08 was in accordance with established Government requirements and

practices. This certification is qualified to the extent that detected instances of non-compliance with established departmental policies and procedures were considered as isolated and minor.

## Appendix 8 - Electronic service delivery

### Office of Fair Trading

#### *New website*

Fair Trading launched its new website after consulting widely with consumers, traders and community groups, including the indigenous community, young people and multicultural communities. The aim was to improve the functionality of the site and, at the same time, bring it into line with the New South Wales Government Website Style Directive. The new site has real life case studies, both written and visual, which show how ordinary people have resolved consumer issues with Fair Trading's help. Consumers and traders can subscribe to receive regular news updates from the website and can also have their say on a number of proposed changes to fair trading laws and consumer issues such as reverse mortgages and petrol availability. The website allows consumers to easily lodge a complaint or make an enquiry online.

#### *e-newsletters*

Fair Trading's e-newsletters and online polls aim to engage subscribers and inform them of issues and updates that are relevant to them. There are four e-newsletters currently available through the website:

- *Fair Comment* – information for consumers
- *What's new* - important new items or media releases
- *Property industry news* - information for people working in the property industry
- *Foundations* - information for the home building industry.

#### *Online surveys and blogs*

Online surveys were used extensively over the last year – some examples include surveys of the general public on interest-free deals, reverse mortgages and availability of premium petrol, as well as an in-house staff survey on volunteering. Online surveys have also been used to consult with the community and industry about proposed legislative reforms including proposed changes to residential tenancy laws and the *Property and Stock Business Agents Act*.

Blogs – or moderated online discussions - were used as part of community consultation around residential tenancy law reforms in November 2007. These generated interesting discussions on key proposals and proved to be a successful way of gaining insight into the views of tenants and landlords. A youth blog was also run during Fair Trading Week to capture feedback from young people about their experiences in buying a car, mobile phones, buying online, obtaining refunds and dealing with credit issues.

#### *Licensing and registration services*

The Government Licensing Service is a whole of government project to create a single integrated government licensing system for business, professional and some personal licensing. Motor vehicle repairer's licences and home building tradespersons certificates were successfully migrated to the Government Licensing Service in December 2007.

One of the benefits of the new system is that licences can be renewed online. The system is also undergoing development so that the criminal history checks required of all home building licence applicants can be requested automatically.

Fair Trading now offers online services for the renewal of business names, and licences for motor dealers, travel agents, second-hand dealers/pawnbrokers, and home builders. It is also possible to update particulars for business names and licensed motor dealers, second-hand dealers/pawnbrokers and travel agents online.

### *Business names details check*

The business names details check service is available through the Fair Trading website. Launched in September 2007 it is a convenient way for customers to check on around 500,000 registered names in NSW. The service is particularly helpful for people who intend to start a business to check to see if the business name they like has not already been registered.

### *Conveyancers online check facility*

This online service was introduced on the Fair Trading website in April 2008 to provide a quick and easy way to check that a conveyancer is licensed. Consumers can search by licence number, business name or by the licensee's name, whether the conveyancer is an individual or corporation.

### *BLIS enhancements*

The Business Licence Information Service (BLIS) provides the business community and the public with detailed information on all NSW Government licences, permits and associated regulations. This online service gives customers a wide range of information regarding the general requirements for establishment or ongoing operation of a business in NSW. In 2007/08 Fair Trading continued to identify enhancements to improve BLIS performance and usability for its customers. Audits of data quality were also conducted to ensure that BLIS information reflected the most up to date material from NSW and Commonwealth Government agencies.

## Government Chief Information Office

### *Channel NSW*

The New South Wales Government was the first Australian government to explore using digital TV to provide government and public information when it launched Channel NSW a pilot service in March 2004. Channel NSW broadcasts in the Sydney metropolitan area on free-to-air digital television channel 45. Channel NSW provided viewers with a mix of up-to-date information (live video, text and graphical) on transport, environment, government notices, education, health, recreation and the arts. Responsibility for Channel NSW was moved from GCIO in February 2008 and it is now managed by Commerce's Strategic Communications and Government Advertising group. No further research was conducted on viewer numbers however it is estimated by Digital Broadcast Australia that the Sydney region has around 40 per cent of homes with access to digital television spectrum.

### *nsw.gov.au*

The New South Wales Government portal, [www.nsw.gov.au](http://www.nsw.gov.au) is the community's one-stop entry point to New South Wales Government. It provides 24-hour access to government information and services.

In 2007/08, the site received over 3.1 million visits with over 10 million page views. On average, it received over 261,000 visits per month. ACNielsen/NetRatings statistics indicate that the [nsw.gov.au](http://nsw.gov.au) domain was consistently the nation's most popular state government domain.

In 2007/08, [nsw.gov.au](http://nsw.gov.au) spotlighted over 250 announcements and events. Over 1,000 new information packages were introduced that included clear and concise summaries, telephone and contact

NSW Department of Commerce Annual Report 2007/08 ISSN 1832-1232

© NSW Department of Commerce 2008

information and related links to an array of government services. The search engine was improved to ensure the appropriate information and services were discovered quickly and easily. The weather page continued to be very popular.

### *New South Wales Government Directory*

The online New South Wales Government Directory continued to be a key resource for members of the public seeking information on the Premier, Ministers, Members of Parliament and key agency personnel. It lists Ministerial portfolios, including some 300 agencies and their business units.

During 2007/08, a complete review of the directory was completed with the assistance of the agencies. Daily updates were also applied to ensure the information was up-to-date and accurate. A map was provided to support the street address information and received positive feedback.

### *shop.nsw*

shop.nsw provides an online 'one-stop-shop' for locating and acquiring New South Wales Government products and publications. Many publications can be downloaded or ordered free of charge. Secure online credit card payments are available, as are alternative methods of payment. In the financial year 2007/08, total sales through shop.nsw exceeded \$635,000. This total included \$153,375 in publication sales and \$482,008 in product sales.

Sixteen New South Wales government agencies were full participants, (sold publications/products online) and 47 agencies were electronic participants (links established to electronic publications on agency websites). Over 4,700 items were listed in the shop.nsw online catalogues.

### *Mobile data radio service*

The mobile data radio service is a unified digital mobile data network to provide low bandwidth, time critical mobile data for government agencies.

The Ambulance Service of NSW was the first agency to join the network. It now operates approximately 680 terminals and is logging over 50,000 events each month. Ambulance vehicles receive incident information as a text message displayed on their mobile data terminal where it can be viewed and printed out if necessary.

Since February 2007, the mobile data radio service has achieved 100 per cent availability of service.

### *Government Licensing Service*

GCIO introduced the Government Licensing Service a multi channel licensing system in 2007/08.

There are now 1.2 million business, professional and recreational licences on a single, multi-channel system used by 810 public servants in:

- Office of Fair Trading (Valuers, Home Building and Motor Vehicle Repair Industry)
- Department of Environment and Climate Change (Wildlife and Dangerous Goods)
- Office of Liquor, Gaming and Racing (Liquor, Trade Promotion Lotteries, Games of Chance and Charitable Fundraising)
- NSW Health (Private Clinics).

The Government Licensing Service will cut red tape, increase access to services and replace 48 legacy systems across 18 agencies, 300 types of licences and four million licences over a few years. GCIO figures for 2007/08 showed that at any time, 250 members of the public were using the website, one in three builders renewed their licences online and one in four licensing transactions were completed online. On average the Government Licensing Service collects \$4.5 million agency revenue each month.

The introduction of simple, standardised processes halved the number of licences from 72 to 37 and licence periods extended. Improvements in consumer protection were realised by diverting resources from transaction to compliance activities. Eight legacy systems were decommissioned, resulting in infrastructure and associated savings.

## Office of Industrial Relations

The OIR website provides practical information to help employers and employees to access information about their workplace rights and entitlements.

### *e-business*

Employers and employees can use *Check Your Pay* to calculate wages and other entitlements under selected awards.

The *Email Update* service keeps subscribers up-to-date with new additions to the website. This is a valuable service for anyone wanting to keep in touch with developments in industrial relations in NSW; for example *Pay Rate Updates* provides by email the latest information on changes to NSW pay rates, award conditions and leave entitlements. The OIR added the *News Feed* facility to 130 state awards offered by subscription, providing automatic updates of new award information.

The OIR's *My IR rules* ABN look-up tool assists employers and employees to establish the rights and obligations which apply to them. The tool searches a supplied business name or ABN number and provides information on the legislation that should apply to the searched entity.

### *e-newsletters*

The OIR produces two quarterly e-newsletters. *Your Workplace Online* provides information on awards, the OIR's inspector activities, workshops, key legislative changes, important test cases and other developments in industrial relations. *Work Smart* is a community newsletter disseminated to agencies interested in the employment rights of young people and people from culturally and linguistically diverse communities in New South Wales. As well as delivering information on workplace rights, it provides details of services and resources that will help vulnerable workers.

### *Look and Listen webcast services*

The OIR's webcast services provide audio download and streaming audio and video presentations of OIR information in a range of formats including MP3 download.

### *Young People at Work website*

This website is specifically for young workers outlining their basic workplace rights and entitlements and providing practical information to help them find and keep a job. The attractive and easy to understand website is set up in three segments reflecting the work lifecycle - looking for work, got the job and leaving the job.

## NSW Procurement

NSW Procurement delivered a number of innovative services through electronic channels for government agencies, industry and community, summarised below:

### *Contracting Services*

The online management fee portal was introduced on 24 May 2007 and gave vendors a new channel to lodge their management fee returns. Uptake of the system by vendors increased and about 45 per cent of management fee vendors now complete their returns online.

## *eBusiness*

smartbuy® introduced a new solution to help clients to find products and purchase items electronically. The new state contract for food supplies trialled the solution, which allows users to view food products in easy to understand categories, such as groceries, bakery and beverages, providing government buyers with a more user friendly solution.

Greenbuy, the online solution through smartbuy® that allows government to find and buy environmentally friendly and sustainable products, was enhanced. It now provides a wide range of products in four online catalogues - energy and water efficiency, recycled and climate friendly.

The NSW eTendering website is the single public facing system that supports the Premier's Memorandum (PM2007-01) directive for contract disclosure, and enables agencies to comply with the Freedom of Information (FOI) Act amendments. NSW eTendering site publishes contract disclosure information as required under PM2007-01. In 2007/08, 4,581 contract disclosures with a combined contract value of \$8.5 billion were published on the eTendering site.

The system supports the *People First* – NSW Government Information Communication Technology (ICT) Strategic Plan by providing a single enterprise-wide ICT solution for the whole of government. It will improve the way the public, business and government engage, collaborate and interact with the procurement process and will avoid agency duplication of ICT costs.

## Office of Public Works and Services

### *NSW Water Solutions*

#### **Survey and Spatial Information Services**

Survey and Spatial Information Services continued to provide the Sydney Harbour Foreshore Authority with expertise in computerised property asset management. Using Google Earth, Survey and Spatial Information Services developed a property information system that enables the Sydney Harbour Foreshore Authority's staff to access a graphical interface on the Internet to obtain plan and title information for all property assets held by the Authority.

Survey and Spatial Information Services continued its successful electronic delivery of building asset data for the Department of Education and Training.

#### **Environmental water data**

Manly Hydraulics Laboratory has been at the forefront of electronic delivery of environmental water data for the past decade. This year it continued to improve data delivery via the internet to local government and to transfer data in near real-time to the CSIRO and Bureau of Meteorology. This data is used in coastal zone flood and storm warnings and to verify the performance of ocean wave forecast models.

Data delivery was enhanced with provision of flood information via voice (over the phone) along with SMS, fax and email media.

Manly Hydraulics Laboratory also provided a wind wave warning system that allows scenario modelling of the impact of wind waves to be examined via the internet.

#### **Modelling software**

In the dam engineering field, NSW Water Solutions acquired a state-of-the-art capability with MIKE 21 modelling software, which is a two-dimensional computer model for dam break and surface flow analysis. This very much improves NSW Water Solutions' value to government and clients in the science of and solutions for the design of headwork structures.

The pipeline design process was improved by using a software package developed in-house, which allows transfer of field survey data directly to the design, minimising human errors and the time required for the design.

In Wastewater Services, a monitoring pilot project was initiated to confirm hydraulic parameters within sewage treatment plants, and their variation under varying operating conditions. This project will provide a better understanding of these parameters, which are critical in the designs undertaken by Commerce using steady state and dynamic modelling. This will optimise both the design and operation of treatment systems, with consequent cost savings for NSW communities.

Manly Hydraulics Laboratory has been using a suit of hydrological and hydrodynamic numerical models for various investigations based mainly in the coastal and estuarine environment. A few of these projects include modelling the impact of water extraction on the salinity migration in estuaries, examining the impact of tidal variations on wetlands and optimising delivery of excess flood water into the Koondrook-Pericoota Forest (off the Murray River) via man-made channels.

Survey and Spatial Information Services developed pressure pipeline design software to provide a digital interface between the surveyors' field instruments through to the final pipeline design and construction drawings. The process can now be applied to conceptual pipeline design from digital terrain data collected using aerial laser scanning technology. The accuracy of the terrain data enables a more accurate assessment of various pipeline routes and estimation of quantities.

### *Project Management*

Project Management maintains and develops asset.gov a suite of web enabled software applications that combine document management and reporting systems and use the convenience of web access for project collaboration and communication across project teams. A key benefit is the ability for all project stakeholders, including the community, to work collaboratively in real time on on-line project document, designs and reports. This has significantly enhanced the flow of project information and contributed to stronger and more effective project communications.

asset.gov is used extensively within the Office of Public Works and Services by project teams, clients and community for the sharing of information and knowledge, for management reporting, and for key performance indicator monitoring. It is also used by Treasury, the Department of Health and other New South Wales government agencies.

### *Facilities Management*

FMWeb is a property information system for government agencies. It includes several modules such as an asset register, maintenance, essential urgent repairs, demountables relocations (Department of Education and Training), programmed maintenance, preventive and statutory maintenance, Treasury Managed Fund and insurance works. There is also a variety of reporting functions so agencies can plan, monitor, control, analyse and report on all aspects of asset management.

## **StateFleet**

### *StateFleet's new fleet management system*

StateFleet introduced Bynx, a new fleet management system that replaced the 16-year-old Ausfleet.

Benefits of the Bynx system include decreased risk of system failures, conformance with Commerce ICT objectives and better system function to minimise fleet management risk across New South Wales Government.

The Bynx system enabled StateFleet to offer flexible lease terms and conditions to the clients as well as improved reporting.

*SmartPool*

In 2007/08 StateFleet launched SmartPool- an online car pool booking system and fleet utilisation management tool. It provides NSW Government fleet managers with the necessary information to rationalise the fleet and monitor fleet use.

The system was launched at NSW Health. StateFleet is providing consultancy to area health services in designing the pool structure.

*E-Toll Management*

StateFleet introduced E-Toll Management for select clients of its fleet management service during the reporting year. A trial with Department of Education head office began in November 2007 and in April 2008, E-Toll Management for NSW Health commenced. This facility will be offered to more clients in the next year.



## Appendix 9 – Freedom of Information (FOI) statistics

### Section A – New FOI applications

How many FOI applications were received, discontinued or completed?	Number of applications					
	Personal		Other		Total	
	(previous year)	(current year)	(previous year)	(current year)	(previous year)	(current year)
A1 New	17	10	187	213	204	223
A2 Brought Forward	2	1	15	14	17	15
<b>A3 Total to be processed</b>	<b>19</b>	<b>11</b>	<b>202</b>	<b>227</b>	<b>221</b>	<b>238</b>
A4 Completed	18	11	166	185	184	196
A5 Discontinued	1	0	21	36	22	36
<b>A6 Total processed</b>	<b>19</b>	<b>11</b>	<b>187</b>	<b>221</b>	<b>206</b>	<b>232</b>
A7 Unfinished (carried forward)	0	0	15	6	15	6

### Section B – Discontinued applications

Why were FOI applications discontinued?	Number of discontinued FOI applications					
	Personal		Other		Total	
	(previous year)	(current year)	(previous year)	(current year)	(previous year)	(current year)
B1 Request transferred out to another agency (s.20)	0	0	8	9	8	9
B2 Applicant withdrew request	1	0	8	20	9	20
B3 Applicant failed to pay advance deposit (s.22)	0	0	5	7	5	7
B4 Applicant failed to amend a request that would have been an unreasonable diversion of resources to complete (s.25(a)(a1))	0	0	0	0	0	0
<b>B5 Total discontinued</b>	<b>1</b>	<b>0</b>	<b>21</b>	<b>36</b>	<b>22</b>	<b>36</b>

Note: If request discontinued for more than one reason, select the reason first occurring in the above table. The figures in B5 should correspond to those in A5.

### Section C – Completed applications

What happened to completed FOI applications?	Number of completed FOI applications					
	Personal		Other		Total	
	(previous year)	(current year)	(previous year)	(current year)	(previous year)	(current year)
C1 Granted or otherwise available in full	14	10	91	126	105	136
C2 Granted or otherwise available in part	3	1	40	24	43	25
C3 Refused	1	0	35	17	36	17
C4 No documents held	0	0	0	18	0	18
<b>C5 Total completed</b>	<b>18</b>	<b>11</b>	<b>166</b>	<b>185</b>	<b>184</b>	<b>196</b>

Note: A request is granted or otherwise available in full if all documents requested are either provided to the applicant (or the applicant's medical practitioner) or are otherwise publicly available. The figures in C5 should correspond to those in A4.

### Section D – Applications granted or otherwise available in full

How were the documents made available to the applicant?	Number of FOI applications (granted or otherwise made available in full)					
	Personal		Other		Total	
	(previous year)	(current year)	(previous year)	(current year)	(previous year)	(current year)
<b>All documents requested were:</b>						
D1 Provided to the applicant	10	10	90	125	104	135
D2 Provided to the applicant's medical Practitioner	0	0	0	0	0	0
D3 Available for inspection	0	0	0	0	0	0
D4 Available for purchase	0	0	0	0	0	0
D5 Library material	0	0	0	0	0	0
D6 Subject to deferred access	0	0	0	0	0	0
D7 Available by a combination of any of the reasons listed in D1-D6 above	4	0	1	1	1	1
<b>D8 Total granted or otherwise available in full</b>	<b>14</b>	<b>10</b>	<b>91</b>	<b>1</b>	<b>105</b>	<b>136</b>

Note: the Figures in D8 should correspond to those in C1.

### Section E – Applications granted or available in part

How were the documents made available to the applicant?	Number of FOI applications (granted or otherwise available in part)					
	Personal		Other		Total	
	(previous year)	(current year)	(previous year)	(current year)	(previous year)	(current year)
<b>Documents made available were:</b>						
E1 Provided to the applicant	3	1	38	21	37	22
E2 Provided to the applicant's medical Practitioner	0	0	0	0	0	0
E3 Available for inspection	0	0	0	0	0	0
E4 Available for purchase	0	0	0	0	0	0
E5 Library material	0	0	0	0	0	0
E6 Subject to deferred access	0	0	0	0	0	0
E7 Available by a combination of any of the reasons listed in E1-E6 above	0	0	2	3	0	3
<b>E8 Total granted or otherwise available in part</b>	<b>3</b>	<b>1</b>	<b>40</b>	<b>24</b>	<b>37</b>	<b>25</b>

Note: The Figures in E8 should correspond to those in C2.

### Section F – Refused FOI applications

Why was access to the documents refused?	Number of refused FOI applications					
	Personal		Other		Total	
	(previous year)	(current year)	(previous year)	(current year)	(previous year)	(current year)
F1 Exempt	1	0	35	17	36	17
F2 Deemed refused	0	0	0	0	0	0
<b>F3 Total refused</b>	<b>1</b>	<b>0</b>	<b>35</b>	<b>17</b>	<b>36</b>	<b>17</b>

Note: The Figures in F3 should correspond to those in C3.

# Section G – Exempt documents

Why were the documents classified as exempt?	Number of FOI applications (refused or access granted or otherwise available in part only)					
	Personal		Other		Total	
	(previous year)	(current year)	(previous year)	(current year)	(previous year)	(current year)
<b>Restricted documents:</b>						
G1 Cabinet documents medical (Clause 1)	0	0	3	2	3	2
G2 Executive Council documents (Clause 2)	0	0	0	0	0	0
G3 Documents affecting law enforcement and public safety (Clause 4)	1	0	6	12	7	12
G4 Documents affecting counter terrorism measures (Clause 4A)	0	0	0	0	0	0
<b>Documents requiring consultation:</b>						
G5 Documents affecting intergovernmental relations (Clause 5)	0	0	0	0	1	0
G6 Documents affecting personal affairs (Clause 6)	3	1	31	13	34	14
G7 Documents affecting business affairs (Clause 7)	0	0	24	10	24	10
G8 Documents affecting the conduct of research (Clause 8)	0	0	1	0	1	0
<b>Documents otherwise exempt:</b>						
G9 Schedule 2 exempt agency	0	0	0	0	0	0
G10 Documents containing information confidential to Olympic Committees (Clause 22)	0	0	0	0	0	0
G11 Documents relating to threatened species, Aboriginal objects or Aboriginal places (Clause 23)	0	0	0	0	0	0
G12 Documents relating to threatened species conservation (Clause 24)	0	0	0	0	0	0
G13 Plans of management containing information of Aboriginal significance (Clause 25)	0	0	0	0	0	0
G14 Private documents in public library collections (Clause 19)	0	0	0	0	0	0
G15 documents relating to judicial	0	0	0	0	0	0

functions (Clause 11)

G16 Documents subject to contempt (Clause 17)	0	0	0	0	0	0
G17 Documents arising out of companies and securities legislation (Clause 18)	0	0	0	0	0	0
G18 Exempt documents under interstate FOI Legislation (Clause 21)	0	0	0	0	0	0
G19 Documents subject to legal professional privilege (Clause 10)	0	0	4	0	4	0
G20 Documents containing confidential material (Clause 13)	0	0	1	0	1	0
G21 Documents subject to secrecy provisions (Clause 12)	0	0	1	1	1	0
G22 Documents affecting the economy of the State (Clause 14)	0	0	0	0	0	0
G23 Documents affecting financial or property interests of the State or an agency (Clause 15)	0	0	0	0	0	0
G24 Documents concerning operations of agencies (Clause 16)	0	0	0	0	0	0
G25 Internal working documents (Clause 9)	0	0	4	1	4	1
G26 Other exemptions (eg. Clauses 20 22A and 26)	0	0	0	2	0	2
<b>G27 Total applications including exempt documents</b>	<b>4</b>	<b>1</b>	<b>75</b>	<b>41</b>	<b>79</b>	<b>42</b>

Note: Where more than one exemption applies to a request select the exemption category first occurring in the above table. The figures in G27 should correspond to the sum of the figures in C2 and F1.

*Section H – Ministerial Certificates (s.59)*

How many Ministerial Certificates were issued?	Number of Ministerial Certificates	
	(previous year)	(current year)
H1 Ministerial Certificates issued	0	0

*Section I – Formal consultations*

How many formal consultations were conducted?	Number	
	(previous year)	(current year)
I1 Number of applications requiring formal consultation	312	299

I2 Number of persons formally consulted	Not recorded	179
-----------------------------------------	--------------	-----

Note: Includes all formal offers to consult issued irrespective of whether a response was received.

### Section J – Amendment of personal records

How many applications for amendment of personal records were agreed or refused?	Number of applications for amendment of personal records	
	(previous year)	(current year)
J1 Agreed in full	0	0
J2 Agreed in part	0	0
J3 Refused	1	0
<b>J4 Total</b>	<b>1</b>	<b>0</b>

### Section K – Notation of personal records

How many applications for notation of personal records were made (s.46)?	Number of applications for notation	
	(previous year)	(current year)
<b>K1 Applications for notation</b>	0	0

### Section L – fees and costs

What fees were assessed and received for FOI applications processed (excluding applications transferred out)?	Assessed costs		Fees received	
	(previous year)	(current year)	(previous year)	(current year)
L1 All completed applications	\$20,733	\$20,728	\$10,170	\$7,503

### Section M – Fee discounts

How many fee waivers or discounts were allowed and why?	Number of FOI applications (where fees were waived or discounted)					
	Personal		Other		Total	
	(previous year)	(current year)	(previous year)	(current year)	(previous year)	(current year)
M1 Processing fees waived in full	0	0	0	0	0	0
M2 Public interest discounts	0	0	0	1	0	1
M3 Financial hardship discounts – pensioner or child	0	1	7	7	7	8
M4 Financial hardship discounts – non profit organisation	0	0	1	0	1	0
<b>M5 Total</b>	<b>0</b>	<b>1</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>9</b>

### Section N – Fee refunds

How many fee refunds were granted as a result of significant correction of personal records?	Number of applications for notation	
	(previous year)	(current year)
N1 number of fee refunds granted as a result of significant correction of personal records	0	0

### Section O – Days taken to complete request

How long did it take to process completed application (Note: calendar days)	Number of completed FOI applications					
	Personal		Other		Total	
	(previous year)	(current year)	(previous year)	(current year)	(previous year)	(current year)
O1 0-21 days – statutory determination period	14	9	82	98	96	108
O2 22-35 days – extended statutory determination period for consultation or retrieval of archived records (S.59B)	1	0	45	48	46	48
O3 Over 21 days – deemed refusal where no extended determination period applies	2	0	25	16	27	16
O4 Over 35 days – deemed refusal where extended determination period applies	1	2	14	23	15	24
<b>O5 Total</b>	<b>18</b>	<b>11</b>	<b>166</b>	<b>186</b>	<b>184</b>	<b>196</b>

Note: Figures in O5 should correspond to figures in A4.



### Section P – Processing time: hours

How long did it take to process completed applications?	Number of completed FOI applications					
	Personal		Other		Total	
	(previous year)	(current year)	(previous year)	(current year)	(previous year)	(current year)
P1 0-10 hours	16	10	124	157	140	167
P2 11-20 hours	2	1	15	11	17	12
P3 21-40 hours	0	0	20	13	20	13
P4 Over 40 hours	0	0	7	4	7	4
<b>P5 Total</b>	18	11	166	185	184	196

Note: Figures in P5 should correspond to figures in A4.

### Section Q – Number of reviews

How many reviews were finalised?	Number of completed reviews	
	(previous year)	(current year)
<b>Q1 Internal reviews</b>	8	5
<b>Q2 Ombudsman reviews</b>	1	0
<b>Q3 ADT reviews</b>	7	2

### Section R – Results of internal reviews

What were the results of internal reviews finalised?	Number of internal reviews Grounds on which the internal review was requested					
	Personal		Other		Total	
	Original Agency Decision					
	Upheld	Varied	Upheld	Varied	Upheld	Varied
R1 Access refused	0	1	4	0	4	1
R2 Access deferred	0	0	0	0	0	0
R3 Exempt matter deleted from documents	0	0	0	0	0	0
R4 Unreasonable charges	0	0	0	0	0	0
R5 Failure to consult with third parties	0	0	0	0	0	0
R6 Third parties views disregarded	0	0	0	0	0	0
R7 Amendment of personal records refused	0	0	0	0	0	0
R8 Total	0	1	4	0	4	1

## **Appendix 10 - Funds granted to non-government community organisations**

### **Government Chief Information Office**

#### *About NSW*

GCIO worked closely with the NSW Ministry for Arts and the state's cultural institutions to provide better access to the State's collections online.

In particular, GCIO continues to work in close partnership with the Powerhouse Museum on a whole-of-government web project called About NSW. About NSW is a pilot initiative that provides public access to digital materials from a range of cultural institution collections as well as interpretative and contextual information about NSW across a broad range of subjects, including history, geography, flora and fauna of suburbs or towns.

In 2007/08, GCIO contributed \$150,000 towards a further six months development of the project until its review and public launch, scheduled for late 2008. The project stemmed from a joint Ministerial Commerce and Arts Online Access and Digitisation review in 2007 which identified a growing public demand for better online access to the State's significant and substantial cultural and scientific collections.

### **Office of Public Works and Services**

#### *Government Architect's Office*

The Government Architect's Office supported the Venice Biennale International Architecture Exhibition through a sponsorship grant of \$5,000 to the Royal Australian Institute of Architects. The \$5,000 sponsorship was provided from the Government Architect's Office budget.

### **Office of Fair Trading**

Fair Trading provides grants to not-for-profit organisations for the provision of community education, advice and advocacy services for tenants, retirement village and residential parks residents and consumers who need assistance with dealing with personal financial difficulties. In line with the New South Wales Government's social justice policy, these grants promote the principles of access, equity and diversity. Other grants programs target the home building and property services industries. Under these programs, funds are provided to undertake research or training which will enhance the professionalism of those industries and in turn, enhance outcomes for their consumers.

During 2007/08 there continued to be an increase in people seeking assistance from dedicated financial counselling services for help and advice. This has been attributed to the continuing rise in interest rates, personal debt increases due to credit over commitment and spiralling living costs. Fair Trading provided additional funding for the Financial Counselling Services Program to assist in meeting the increased demands for New South Wales consumers experiencing financial distress.

The Co-operatives Development Grants Program is designed to assist the NSW co-operative sector grow and remain a viable sector of the New South Wales economy. The Motor Vehicle Repair Industry Authority also provided funding to assist employment training in the NSW automotive industry.

*Program: Tenants Advice and Advocacy Program (TAAP) 2007/08*

Funded organisations	Purpose	Funding \$
Tenants' Union of NSW Co-operative Limited	Tenants' Union of NSW	\$553,853.54
Combined Pensioners And Superannuants Association of New South Wales Incorporated	Older Persons' Tenancy Service (OPTS)	\$191,378.79
Combined Pensioners And Superannuants Association of New South Wales Incorporated	Park & Village Service (PAVS)	\$200,281.70
Dtarawarra Pty Ltd	Aboriginal Resource Service	\$150,873.62
Tenants' Union of NSW Co-operative Limited	Aboriginal Legal Officer	\$124,727.53
Tenants' Union of NSW Co-operative Limited	Residential Parks Solicitor	\$85,834.55
Redfern Legal Centre Limited	Inner Sydney Tenants' Advice Service	\$253,768.40
Eastern Area Tenants Service Incorporated	Eastern Area Tenants Service Inc (EATS)	\$256,184.36
Marrickville Legal Centre	Inner Western Sydney Tenants Service	\$261,620.28
Northern Area Tenants Service Incorporated	Northern Area Tenants Service (NATS)	\$354,340.05
Canterbury Bankstown Migrant Resource Centre Incorporated	Southern Sydney Tenants Advice & Advocacy Service	\$394,181.27
Macarthur Legal Centre Incorporated	South West Sydney TAAS	\$321,496.25
UnitingCare NSW.ACT	Western Sydney Tenants' Service (WESTS)	\$584,452.77
Central Coast Tenants Advice and Advocacy Service	Central Coast TAAS	\$250,748.46
Central Coast Tenants Advice and Advocacy Service	Central Coast TAAS - additional position	\$83,424.11
Hunter Region Neighbourhood Centres Forum Incorporated	Hunter Tenants Advice & Advocacy Service	\$361,222.73
Illawarra Legal Centre Incorporated	Illawarra Tenancy Service	\$286,486.95
Port Macquarie Neighbourhood Centre Incorporated	Mid Coast TAAS	\$295,672.07
Northern Rivers Community Legal Centre Incorporated	Northern Rivers Tenants Advice and Advocacy Service	\$295,672.07
Central West Community College Limited	South Western NSW Tenants Service (ACE)	\$776,425.60

Funded organisations	Purpose	Funding \$
North & North West Community Legal Service Inc	New England & Western NSW Tenants Service	\$465,680.49
Inner West Aboriginal Community Company Ltd	Greater Sydney Aboriginal TAAS	\$266,452.20
Kulai Preschool Aboriginal Corporation	Northern NSW Aboriginal Tenants Advice Service	\$373,918.22
Management And Advisory Services Aboriginal Corporation	Southern NSW Aboriginal Tenants Service	\$422,215.32
Murdi Paaki Regional Enterprise Corporation	Western NSW Aboriginal Tenants Advice & Advocacy Service	\$468,178.14
TAAP Special Purpose Fund	Fund provides for ad-hoc projects and interpreter & translator costs for services funded under the TAAP.	\$290,552.45
<b>Total</b>		<b>\$8,369,641.90</b>

*Program: Credit Counselling Program 2007/08*

Funded organisations	Purpose	Funding \$
Consumer Credit Legal Centre (NSW) Inc	Consumer Credit Legal Centre -Hotline	\$296,268.53
Redfern Legal Centre Ltd	Redfern Legal Centre	\$28,651.29
Anglicare North Coast	Anglicare North Coast - Coffs Harbour Service and Grafton Outreach	\$42,026.28
The Trustees of the Roman Catholic Church for the Diocese of Lismore	Centacare Port Macquarie	\$40,160.97
Consumer Credit Legal Centre (NSW) Inc	Consumer Credit Legal Centre -Legal Services	\$173,410.74
The Uniting Church in Australia Property Trust (NSW)	Wesley Creditline Financial Counselling - Fairfield	\$66,924.40
The Uniting Church in Australia Property Trust (NSW)	Wesley Creditline Financial Counselling Creditline Inner Sydney	\$119,363.38
The Uniting Church in Australia Property Trust (NSW)	Lifeline Financial Counselling Service-Newcastle & Hunter	\$41,010.10
Granville Multicultural Community Centre Inc	Granville Financial Counselling Service	\$39,297.30
Illawarra Legal Centre Inc	Illawarra Legal Centre	\$33,673.73
Illawarra Legal Centre Inc	Illawarra Legal Centre - Financial Counselling Service	\$33,673.73
Macarthur Legal Centre Inc	Macarthur Legal Centre	\$41,155.75
Lismore & District Financial Counselling Service Inc	Lismore Financial Counselling Service & Mullumbimby & Byron Bay Outreach	\$76,273.88

Funded organisations	Purpose	Funding \$
The Salvation Army (NSW) Property Trust	Moneycare Financial Counselling Service - Taree/Wingham	\$26,085.77
San Remo Neighbourhood Centre Incorporated	San Remo Financial Counselling Service	\$40,885.57
The Salvation Army (NSW) Property Trust	Moneycare Financial Counselling Service Campbelltown	\$37,168.37
<b>Total</b>		<b>\$1,136,029.82</b>

*Program: Other Funded Community Services 2007/08*

Funded organisations	Purpose	Funding \$
The Aged-care Rights Service Inc.	Advice and advocacy to retirement village residents	\$375,000
<b>Total</b>		<b>\$375,000</b>

*Program: Financial Counselling Trust Fund 2007/08*

Funded organisations	Purpose	Funding \$
Murwillumbah Community Support Centre Inc.	Murwillumbah Financial Counselling Service	\$31,172.58
Eastlakes Family Support Service Inc.	Eastlakes Family Support Financial Counselling Service	\$22,284.85
C.A.R.E. Incorporated	Care Inc - Queanbeyan	\$44,511.97
Lifeline Broken Hill Inc	Far West Credit Counselling Service	\$72,310.00
Mission Australia	Mission Australia Creditworthy Wollongong	\$40,160.97
Kempsey Neighbourhood Centre Inc	Kempsey Financial Counselling Service	\$55,953.76
The Trustees of the Anglican Diocese of Armidale	Anglican Counselling Service (Diocese of Armidale)	\$51,650.00
Anglicare South East	Anglicare South East Financial Counselling Service	\$37,049.58
Creating Links Co-operative Ltd	Creating Links Co-operative	\$39,795.06
Christian Community Aid Service Inc	CCAS Financial Counselling Program	\$39,297.30
The Uniting Church in Australia Property Trust (NSW)	Lifeline South Coast - Creditline Nowra Financial Counselling Service	\$42,097.24
The Uniting Church in Australia Property Trust (Vic)	St Davids Uniting Care Financial Counselling Service	\$33,162.55
Lifeline Central West Incorporated	Creditline - Central West Financial Counselling Service	\$68,807.40
The Uniting Church in Australia Property Trust (NSW)	Wesley Creditline Financial Counselling Penrith - (Includes Quakers Hill,	\$113,630.00

Funded organisations	Purpose	Funding \$
	Hawkesbury, Blacktown Outreach Services)	
Woodrising Neighbourhood Centre Inc	Lake Macquarie Financial and Gambling Counselling Service	\$39,795.06
Eurobodalla Family Support Service Inc	Eurobodalla Financial Counselling Service	\$51,381.42
Gosford City Community Information Service Ltd	Gosford/Wyong Financial Counselling Service	\$68,178.00
Financial Counselling Hunter Valley Project Inc	Hunter Valley Project Financial Counselling Service	\$46,427.59
The Salvation Army (NSW) Property Trust	Moneycare Financial Counselling Service - Campsie	\$44,909.68
The Salvation Army (NSW) Property Trust	Moneycare Financial Counselling Service - Forster/Tuncurry	\$25,825.00
The Salvation Army (NSW) Property Trust	Moneycare Financial Counselling Service – Lethbridge Park	\$41,339.63
The Salvation Army (NSW) Property Trust	Moneycare Financial Counselling Service – Parramatta	\$41,328.26
Mission Australia	Mission Australia Campbelltown	\$41,737.00
The Trustees of the Society of St. Vincent De Paul (N.S.W.)	St Vincent De Paul Broken Bay Financial Counselling Service	\$26,085.77
The Salvation Army (NSW) Property Trust	Moneycare - Hurstville	\$9,813.50
Mission Australia	Mission Australia - Wagga Wagga	\$42,828.18
Mission Australia	Mission Australia - Griffith	\$42,828.18
<b>Total</b>		<b>\$1,214,360.54</b>

*Program: Home Building Grants Program 2007/08*

Funded organisations	Purpose	Funding \$
Timber Development Association (NSW) Limited	Termite Management Education and Self Awareness Website	\$36,000.00
Deltacorp Consulting Pty Ltd	An Introduction to Home Building Contracts in NSW" Training Course	\$14,000.00
MBA Newcastle Group Training Pty Limited	Newcastle MBA Group Training & Personnel	\$55,000.00
Construction Industry Training Advisory Board	Construction Education & CPD Support & Reference Centre	\$70,000.00
National Electrical and Communications Association New South Wales Chapter	Electrical Safety Education Program	\$50,000.00
The Master Plumbers & Mechanical Contractors	Dealing Fairly with Customers	\$45,000.00

Association of NSW		
Pointsbuild Pty Ltd	Basic Legal and Financial Training Cert IV for Pool Builders	\$45,000.00
Macquarie Legal Centre - Home Building Advocacy Service (HoBAS)	Home Building Advocacy Service	\$81,666.64
<b>Total</b>		<b>\$446,666.62</b>

*Program: Property Service Grants Program 2007/08*

Funded Organisations	Purpose	Funding \$
MigrantLINK Australia Ltd	Finding a home in Northern Sydney - Support for Migrants & Refugees	\$20,616.00
Australian Property Institute	CPD Program for Valuers, Agents & related property professionals	\$50,000.00
NSW Property Services Industry Training Advisory Board	NSW Property Services Support Line	\$70,442.00
Australian Livestock & Property Agents Association Ltd	The ALPA Professional Development & Education Program	\$80,000.00
Australian Institute of Conveyancers (NSW Division)	Online Continuing Education Program	\$13,960.00
Australian Resident Accommodation Managers Association (NSW) Inc	Management Rights - The Way of the Future	\$2,000.00
<b>Total</b>		<b>\$237,018.00</b>

*Program: Co-operatives Development Grants Program*

Funded Organisations	Purpose	*Funding \$
Association to Resource Cooperative Housing (ARCH)	The Social Outcomes of Co-operative Housing for tenants and their Families in NSW	\$17,000.00
Co-operative Federation of NSW Ltd	Living Co-operatively Symposium (Travel Costs for Keynote Speaker)	\$6,000.00
The Bangalay Tree Food Co-operative	Feasibility Study into the creation of a community food co-operative	\$7,500
Zig Zag Railway Co-op Ltd	Design and commission of a new website and logo	\$4,130.00
Tooraweenah Prime Lamb Marketing Co-operative Ltd	Funding towards developing a five year strategic plan for Tooraweenah Prime Lamb Marketing Co-operative Ltd	\$13,750.00
<b>Total</b>		<b>\$48,380.00</b>

*Program area: Motor Vehicle Repair Industry Authority*

Funded Organisations	Purpose	Funding \$
----------------------	---------	------------

Automotive Training Board of NSW	Assist systematic training for employment in the NSW automotive industry	50,000.00
<b>Total</b>		<b>\$50,000.00</b>

## Appendix 11 - Government and Related Employees Appeals Tribunal & Transport Appeals Boards

### *Public Sector appeals process*

The Government and Related Employees Appeals Tribunal (GREAT) and the Transport Appeal Boards (TAB) fall within the area of responsibility of the Minister for Industrial Relations.

GREAT hears and determines appeals against decisions relating to the discipline and promotion of NSW public sector employees and employees of certain other statutory authorities. GREAT also hears promotion appeals and Hurt On Duty Claims by members of the New South Wales Police Service. The Transport Appeal Boards are independent bodies that determine appeals by employees against disciplinary or promotion decisions made by public sector transport authorities.

During 2007/08, 1,289 appeals were before GREAT. This represents an increase of 368 appeals on the previous year's total of 921, while 842 appeals went before TAB, representing a decrease of 143 on the previous year's total of 985. The number of appeals lodged with both GREAT and TAB relates directly to the volume and frequency of recruitment campaigns undertaken by New South Wales public sector employing authorities. This is reflected in the sometimes large fluctuations of total appeals lodged from year to year in both GREAT and TAB.

### *Promotion appeals*

Both the GREAT and TAB are independent bodies and are the only bodies that review the application of the 'test of merit' against recruitment and selection outcomes in the NSW public sector.

Merit selection for the NSW public sector and its purpose are articulated in the Public Sector Employment Management Act 2002 at section 19 and the NSW Personnel Handbook at section 2.

Merit selection is a long standing cornerstone of selection and recruitment processes for the NSW public sector. The GREAT and TAB were set up by their respective enabling legislation in 1980 to contribute to the transparency of recruitment and selection processes of the NSW public sector by reviewing decisions made on behalf of department heads to ensure that the most meritorious employee for the position is appointed to the contested position.

Promotion appeals are generally listed for hearing within 35 days of the expiration of the closing date to lodge an appeal. Tribunal and Board decisions on promotion appeals are almost always made on the day of the merit hearing and then followed by a written decision within 14 days of the hearing.

The previous three year financial year average for the period 2004/05 to 2006/07 for appeals lodged with the GREAT was 333 and for the TAB 478. However, for financial year 2007/08 promotion appeals to GREAT totalled 736 and to the TAB 756. In effect the GREAT was up more than 50 per cent on the previous three year average while TAB activity was up approximately 60 per cent on the previous three year average.

### *Disciplinary appeals*

#### **Outcomes - Public sector disciplinary appeals**

For the year 2007/08 the GREAT received 59 appeals in this category compared to 52 in 2006/07. Thirty one have been finalised of which 19 were withdrawn by the appellant after conciliation and prior

NSW Department of Commerce Annual Report 2007/08 ISSN 1832-1232

© NSW Department of Commerce 2008



to hearing as a result of settlements between the parties. Nine were withdrawn prior to being listed for conciliation and 3 progressed to a formal hearing where 2 were allowed and 1 disallowed. Of the remaining 28, 16 are before the GREAT for conciliation, 3 are settled and waiting for withdrawal by the appellant, and the remaining 9 have formal hearing dates set for the second half of 2008.

### Conciliation of public sector disciplinary appeals

Of the 59 appeals lodged with the GREAT during 2007/08, 31 have progressed through the conciliation stage of which 19 were settled and withdrawn by the appellant and a further 3 settled pending withdrawal representing a 70 per cent success rate.

The continued success of conciliation has resulted in savings across the public sector as it is less resource intensive both from the participating agencies and unions' perspective and the Tribunal's. These matters not progressing to hearing means agencies and unions do not have to supply the Tribunal with a Tribunal Member to sit on the hearing for its duration.

### Transport Appeal Boards discipline appeals

During the reporting period, 87 disciplinary appeals were lodged with the TAB. Of these 69 have been finalised and the remaining 18 currently have hearing dates in July and August of 2008. Of the 69 finalised 29 were withdrawn prior to hearing, nine were withdrawn during the hearing, four struck out, 12 disallowed, three allowed, two disallowed with modified penalty and ten allowed with modified penalty.

### Education

During 2007/08 the GREAT conducted three seminars on the promotion appeal process, including the impetus for publication of appointments. The seminars were attended by 63 industrial officer and human resource staff from 29 public sector organisations.

### Website

During 2006/07, disciplinary and jurisdiction decisions of the TABs were added to the TAB website for the first time and became accessible to users of the TAB for reference and research purposes. During 2006/07 visitors to the TAB website totalled 1,876 and for 2007/08 visitors totalled 5,800 representing a trebling of traffic since decisions were added.

The website for both the GREAT and TAB are scheduled for upgrading in accordance with New South Wales public sector guidelines by the end of 2008.

## Performance results

### Outcome: Maximum compliance with regulatory requirements

Measure GREAT	04/05	05/06	06/07	07/08	Target 08/09
Number of appeals received	826	683	921	1289	850

Measure TAB	04/05	05/06	06/07	07/08	Target 08/09
Number of appeals received	322	267	985	842	650

## Appendix 12 – Heritage Asset Management Strategy

The Commerce Heritage Asset Management Strategy, required under the *NSW Heritage Act 1977*, was approved by the NSW Heritage Council in May 2007. The Heritage Asset Management Strategy set out the heritage management initiatives already undertaken by Commerce, identified the Heritage Asset Management Systems within the Department and committed the Department to an action plan to enable it to meet the requirements of the Heritage Act by the end of 2009. The major requirement is the preparation of a Heritage and Conservation Register under Section 170 of the Heritage Act, and this is currently underway.

The Government Architect's Office was engaged to prepare the Commerce Section 170 Heritage and Conservation Register. The first stage of the project, the identification of potential heritage items held by Commerce and the preparation of Commerce's Thematic History, was completed in 2007. The second stage, the preparation of the Register, will be completed later in 2008.

The information in the Register will identify the Department's heritage assets, describe why they are important and provide guidance for the ongoing management. The Register will assist Commerce to meet its other obligations as required under the Heritage Act, including annual reporting for heritage assets and ongoing property management maintenance and conservation works.

## Appendix 13 - Price determination

Commerce sought no price determinations from the Independent Pricing and Regulatory Tribunal in 2007/08.

## Appendix 14 – Inclusion of other annual reports

Provisions within the *Community Land Management Act 1989*, the *Strata Schemes Management Act 1996* and the *Residential Tenancies Act 1987* require the Commissioner for Fair Trading to prepare a report to Parliament on the respective operations of the Commissioner (including as Tenancy Commissioner) under these Acts. The Commissioner's actions or activities relating to these Acts are not conducted in isolation – but are fully integrated across all of Fair Trading's operations. The annual reporting obligations for the three acts are therefore discharged by the inclusion of the following information in this Department of Commerce Annual Report in accordance with section 6 (Inclusion of other reports in annual reports) of the *Annual Reports (Departments) Act 1985*.

### *Community Land Management Act 1989*

The following information addresses section 109G of the Act in connection with annual reporting of the operations of the Director-General (Commissioner for Fair Trading) in the areas of resolving complaints and disputes, investigating alleged breaches of the Act, taking legal action, providing information on community schemes and reporting on any other matter, including those referred to the Commissioner by the Minister.

### Resolving complaints and disputes

Community land management enquiries and dispute mediations are counted jointly with strata scheme enquiries and mediations - see next section on *Strata Schemes Management Act 1996*.

### Legal action taken

	03/04	04/05	05/06	06/07	07/08
Community land	0	0	0	0	0

management prosecutions					
Community land management penalty notices	0	0	0	1	0
Community land management civil litigation	0	0	0	0	0

### Community land management information

Community land management information was available through the Fair Trading website at: [http://www.fairtrading.nsw.gov.au/Tenants\\_and\\_home\\_owners/Community\\_and\\_neighbourhood\\_schemes.html](http://www.fairtrading.nsw.gov.au/Tenants_and_home_owners/Community_and_neighbourhood_schemes.html). Fair Trading also provides the following community scheme publications for proprietors, occupiers, associations, managing agents and members of the public:

- Living in a community scheme
- Strata and community disputes
- Strata and community mediation

### Other matters

The Community Land Management Act 1989 was reviewed and a report is being finalised that will recommend a number of amendments to the Act. The amendments were developed following extensive stakeholder consultation. The proposed amendments will update the law and enhance existing provisions. The main purpose of the review is to increase consistency between community schemes management legislation and strata schemes management legislation, as there are many similar and mirror provisions. Relevant information will be available on the Fair Trading website before the changes commence.

### *Strata Schemes Management Act 1996*

The following information addresses section 216 of the Act in connection with annual reporting of the operations of the Director-General (Commissioner for Fair Trading) in the areas of resolving complaints and disputes, investigating alleged breaches of the Act, taking legal action, providing information on strata schemes and reporting on any other matter referred to the Commissioner by the Minister.

### Resolving complaints and disputes

	03/04	04/05	05/06	06/07	07/08
Strata scheme enquiries	38,058	38,858	35,580	32,464	33,955
Strata scheme dispute mediations	1,027	1,185	1,153	1,194	1,380

### Legal action taken

	03/04	04/05	05/06	06/07	07/08
Strata scheme prosecutions	0	0	0	0	0
Strata scheme penalty notices	0	0	0	0	0
Strata scheme civil litigation	0	0	9	5	0

## Mediation

Mediation continues to be a successful way for parties to settle strata and community scheme disputes. People can resolve their disputes without the need for formal adjudication and many side issues are resolved along with the main dispute.

During 2007/08, 539 applications did not proceed as one or more party did not agree to mediation. 283 cases were successfully managed prior to mediation. Of the remaining 386 applications, 69 per cent were successfully mediated.

## Strata schemes information

A range of strata schemes information was also available through the Fair Trading website at: [http://www.fairtrading.nsw.gov.au/Tenants\\_and\\_home\\_owners/Strata\\_schemes.html](http://www.fairtrading.nsw.gov.au/Tenants_and_home_owners/Strata_schemes.html). During the year, the following strata scheme publications were available for members of the public, owners, occupiers, owners' corporations, lessors of leasehold strata schemes and strata managing agents:

- Changes to strata laws
- Buying into a strata scheme
- Strata and community disputes
- Strata and community mediation
- Strata living – in English, Arabic, Chinese and Vietnamese
- Strata scheme sinking funds.

## Other matters

Following the release of a discussion paper in late 2007 and an extensive period of public consultation that included the release of draft exposure bills, the *Strata Management Legislation Amendment Act 2008* was passed by Parliament on 18 June 2008. The existing caretaker provisions in the Act will be extended to persons who fall within the description of caretaker regardless of their job title. This will close a potential loophole in the current Act. Developers will lose the right to make exclusive use by-laws about parking on common property during the initial period of a scheme. The owners' corporation will be responsible for such long-term decisions. Developers and persons connected with developers will be prohibited from using proxy votes and powers of attorney obtained as a condition of a contract for the sale of a lot within the scheme. This will prevent strata lot owners from being involuntarily deprived of their right to vote at meetings of the owners' corporation.

Strata scheme executive committee members and candidates for election to strata scheme executive committees will have to disclose any connections they have with the developer or caretaker. This will enhance the transparency of executive committee elections and their operations. Individual lot owners in strata and community schemes will be able to invite Fair Trading building inspectors onto common property to investigate building defects or other structural problems. Previously only owners' corporations had this authority.

## *Residential Tenancies Act 1987*

The following information addresses section 119E of the Act in connection with annual reporting of the operations of the Tenancy Commissioner (Commissioner for Fair Trading) in the areas of research into tenant/landlord relationships, resolving tenancy disputes, taking legal action, providing information, reporting on other matters, including those referred to the Commissioner by the Minister, as well as providing assistance to agencies and individuals who provide tenancy advice and information and carry out research into relationships between tenants and landlords.

**Resolving complaints and disputes**

	03/04	04/05	05/06	06/07	07/08
Tenancy enquiries	155,000	143,000	126,000	117,200	121,250

Note: tenancy disputes are determined in the independent Consumer, Trader & Tenancy Tribunal

### Legal action taken

	03/04	04/05	05/06	06/07	07/08
Residential Tenancies Act prosecutions	0	1	1	0	0
Residential Tenancies Act penalty notices	0	0	0	0	0
Residential Tenancies Act civil litigations	0	0	0	0	0

### Residential tenancy information

Residential tenancy information was available for tenants and landlords through the Fair Trading website at: [http://www.fairtrading.nsw.gov.au/Tenants\\_and\\_home\\_owners.html](http://www.fairtrading.nsw.gov.au/Tenants_and_home_owners.html).

Fair Trading also provided the following publications for tenants and landlords:

- The Renting Guide (22 community language versions)
- Tenant databases (tenant and landlord editions)
- Using an agent to manage your rental property
- Living there – information for renters
- Moving in – information for renters
- Moving out – information for renters
- Discrimination and renting.

### Assistance and funding for tenancy services

In 2007/08, the 22 community organisations funded under the Tenants Advice and Advocacy Program provided advice and advocacy to 31,295 tenants across New South Wales. Almost 1,800 people living in residential parks were provided with advice about their rights and responsibilities by Tenants Advice and Advocacy Program services.

There has been a significant increase in client contacts resulting from an increase in mortgagees taking possession of premises from tenants. The Residential Tenancies Act protects tenants from mortgagee possession until there is a court order. However, many tenants who are unaware of their rights are being pushed out of the premises at the demand of mortgagees.

This year, 4,464 tenants around the State received assistance to prepare for a Consumer, Trader and Tenancy Tribunal hearing or with representation at a hearing.

### Other matters

A strategic review of residential tenancies legislation has been carried out. On 22 September 2007 a report called Residential Tenancy Law Reform - A New Direction was released. This report explained over 100 proposed changes to the law and enabled people to provide feedback on them. Some 1,500 responses from individuals and groups, including tenants, landlords and real estate agents, were received in the form of letters, online survey responses, and comments via an online blog. In addition, 915 people attended face-to-face sessions conducted in regional and metropolitan areas, another important way of gathering feedback directly from the community. As a result of the feedback gathered through consultation, Fair Trading is better able to understand community preferences and the diverse views of stakeholders. All submissions were assessed and analysed and a reform package is being developed for introduction to Parliament.

## Appendix 15 – Land disposal

In 2007/08 Commerce disposed of the following properties:

- Part of 47-49 Bourke Road, Alexandria      \$16,050,000
- 86 Gipps Street, Bega      \$420,000

## Appendix 16 – Legislation administered

### Commerce

The Minister for Commerce has joint administration of all Acts listed for the Minister for Fair Trading (which are not listed again below), and the following Acts

- *Architects Act 2003 No 89*
- *Bennelong Point (Parking Station) Act 1985 No 189*
- *Border Railways Act 1922 No 16*
- *Building and Construction Industry Security of Payment Act 1999 No 46*
- *Contractors Debts Act 1997 No 110*
- *Glen Davis Act 1939 No 38, Part 4 (remainder, the Minister for Local Government)*
- *Government Telecommunications Act 1991 No 77*
- *Land Acquisition (Charitable Institutions) Act 1946 No 55*
- *Land Acquisition (Just Terms Compensation) Act 1991 No 22*
- *Partnership Act 1892 55 Vic No 12* in so far as it relates to the functions of the Registrar of the register of limited partnerships and incorporated limited partnerships and to the setting of fees to be charged for maintaining that register, jointly with the Attorney General and the Minister for Fair Trading (remainder, the Attorney General)
- *Public Sector Employment and Management Act 2002 No 43, Chapter 7* (jointly with the Treasurer; remainder, Premier)
- *Public Works Act 1912 No 45* (except section 34 (3) and (4), the Minister for Water)
- *State Brickworks Act 1946 No 16*
- *State Records Act 1998 No 17*

### Office of Industrial Relations

- *Annual Holidays Act 1944 No 31*
- *Banks and Bank Holidays Act 1912 No 43* (except part, the Treasurer)
- *Broken Hill Trades Hall Site Act of 1898 No 31*
- *Broken Hill Trades Hall Site Extension Act 1915 No 42*
- *Builders Labourers Federation (Special Provisions) Act 1986 No 17*
- *Coal Industry (Industrial Matters) Act 1946 No 44*
- *Employment Protection Act 1982 No 122*

- *Entertainment Industry Act 1989 No 230*
- *Essential Services Act 1988 No 41* (except parts, the Premier)
- *Funeral Services Industry (Days of Operation) Repeal Act 2000 No 14*
- *Government and Related Employees Appeal Tribunal Act 1980 No 39*
- *Hairdressers Act 2003 No 62*
- *Industrial Arbitration (Special Provisions) Act 1984 No 121*
- *Industrial Relations Act 1996 No 17* (except parts, the Attorney General)
- *Industrial Relations (Child Employment) Act 2006 No 96*
- *Industrial Relations (Ethical Clothing Trades) Act 2001 No 128*
- *Long Service Leave Act 1955 No 38*
- *Long Service Leave (Metalliferous Mining Industry) Act 1963 No 48*
- *Shops and Industries Act 1962 No 43*
- *Shops and Industries Act 1962 No 43* [Repealed 1 July 2008]
- *Shop Trading Act 2008 No 49* [Commences 1 July 2008]
- *Transport Appeal Boards Act 1980 No 104*

## Office of Fair Trading

The Minister for Fair Trading has joint administration of the following Acts with the Minister for Commerce

- *Associations Incorporation Act 1984 No 143*
- *Business Names Act 2002 No 97*
- *Community Land Management Act 1989 No 202*
- *Consumer Claims Act 1998 No 162*
- *Consumer Credit Administration Act 1995 No 69*
- *Consumer Credit (New South Wales) Act 1995 No 7*
- *Consumer, Trader and Tenancy Tribunal Act 2001 No 82*
- *Contracts Review Act 1980 No 16*
- *Conveyancers Licensing Act 2003 No 3*
- *Co-operative Housing and Starr-Bowkett Societies Act 1998 No 11*
- *Co-operatives Act 1992 No 18*
- *Credit Act 1984 No 94*
- *Credit (Home Finance Contracts) Act 1984 No 97*
- *Electricity (Consumer Safety) Act 2004 No 4*
- *Fair Trading Act 1987 No 68*
- *Fitness Services (Pre-paid Fees) Act 2000 No 95*
- *Funeral Funds Act 1979 No 106*
- *Gas Supply Act 1996 No 38, section 83A* (remainder, the Minister for Energy)
- *Holiday Parks (Long-term Casual Occupation) Act 2002 No 88*

NSW Department of Commerce Annual Report 2007/08 ISSN 1832-1232

© NSW Department of Commerce 2008



- *Home Building Act 1989 No 147*
- *HomeFund Commissioner Act 1993 No 9*
- *HomeFund Restructuring Act 1993 No 112, sections 14, 15, 16 and Schedule 2 (remainder, the Minister for Housing)*
- *Landlord and Tenant Act 1899 No 18*
- *Landlord and Tenant (Amendment) Act 1948 No 25*
- *Landlord and Tenant (Rental Bonds) Act 1977 No 44*
- *Motor Dealers Act 1974 No 52*
- *Motor Vehicle Repairs Act 1980 No 71*
- *Partnership Act 1892 55 Vic No 12 in so far as it relates to the functions of the Registrar of the register of limited partnerships and incorporated limited partnerships and to the setting of fees to be charged for maintaining that register, jointly with the Attorney General and the Minister for Commerce (remainder, the Attorney General)*
- *Pawnbrokers and Second-hand Dealers Act 1996 No 13*
- *Price Exploitation Code (New South Wales) Act 1999 No 55*
- *Prices Regulation Act 1948 No 26*
- *Property, Stock and Business Agents Act 2002 No 66*
- *Registration of Interests in Goods Act 1986 No 37*
- *Residential Parks Act 1998 No 142*
- *Residential Tenancies Act 1987 No 26*
- *Retirement Villages Act 1999 No 81*
- *Strata Schemes Management Act 1996 No 138*
- *Trade Measurement Act 1989 No 233*
- *Trade Measurement Administration Act 1989 No 234*
- *Travel Agents Act 1986 No 5*
- *Valuers Act 2003 No 4*
- *Warehousemen's Liens Act 1935 No 19*

## Appendix 16 - Legislative changes

### Office of Fair Trading

#### *Strata schemes management*

Following the release of a discussion paper in late 2007 and an extensive period of public consultation that included the release of draft exposure bills, the *Strata Management Legislation Amendment Act 2008* was passed by Parliament on 18 June 2008. The existing caretaker provisions in the Act will be extended to persons who fall within the description of caretaker regardless of their job title. Developers will lose the right to make exclusive use by-laws about parking on common property during the initial period of a scheme. The owners' corporation will be responsible for long-term decisions. Strata scheme executive committee members and candidates for election to strata scheme executive committees will have to disclose any connections they have with the developer or caretaker. This will enhance the transparency of executive committee elections and their operations. Individual lot owners

in strata and community schemes will be able to invite Fair Trading building inspectors onto common property to investigate building defects or other structural problems. Previously only owners' corporations had this authority. The changes will commence in August 2008.

### *Demolition work*

From 2 May 2008 demolition work is no longer regulated under the Home Building Act. The change is part of the Government initiative to remove the need for contractors to be licensed by more than one agency for similar work. WorkCover is now the sole licensing agency for approximately 350 persons undertaking demolition work in NSW.

### *Cancellation of incorporated associations*

Following the review of the *Associations Incorporation Act 1984*, work has been under way to make extensive amendments to the Act. It was originally anticipated that this would be done in one large Amendment Bill. However, it was decided to put through a minor Amendment Bill to improve the cancellation procedures for incorporated associations immediately. Consequently the *Associations Incorporation Amendment (Cancellation of Incorporation) Act 2007* commenced on 29 October 2007. The amendments streamline the processes involved in the cancellation of inactive associations and introduce a provision which allows the incorporation of associations to be re-instated if they have been cancelled in error. Work continues on redrafting the Act in line with the remaining recommendations from the review.

### *Consumer credit*

Fair Trading is active in protecting disadvantaged consumers from excessive fees and interest charged by some short term lenders. In 2006, changes to the *Consumer Credit (New South Wales) Act 1995* required all fees and charges to be included in the calculation of the maximum rate allowed to be charged in this state. Some lenders sought to avoid this requirement by using bills of exchange – a financial instrument generally used for commercial purposes and exempted from the Consumer Credit Code, which regulates all consumer credit. Since 30 November 2007 any consumer credit provided by way of a bill of exchange is now subject to regulation by the Code, except in the area of overlap with the Commonwealth, and in NSW the maximum rate is inclusive of fees and charges.

### *Retirement Villages*

Following a statutory review of the *Retirement Villages Act 1999* regulating retirement villages, a package of significant reforms was developed. As the proposed reforms were extensive and complex in their scope, and would have significant impact on both residents and operators alike, the Government decided to make available a consultation draft Bill before formally introducing the legislation into Parliament. Feedback on the draft Bill was received from a range of organisations and individuals throughout 2007 and early 2008. All written submissions were analysed and assessed. Both the Minister and Fair Trading staff met with resident and operator groups on a number of occasions to discuss their views in detail and a number of refinements were made to Bill arising from the extensive consultation process. The Bill was introduced into Parliament on 26 June 2008.

### *Consumer, Trader and Tenancy Tribunal*

Over the last eighteen months the Tribunal underwent a thorough and independent operational review that followed a statutory review of the *Consumer, Trader and Tenancy Tribunal Act 2001*. The changes are being introduced by the Consumer, Trader and Tenancy Amendment Bill 2008, which was passed by Parliament on 24 June 2008.

On commencement of the amendments the Tribunal's Deputy Chairperson (Determinations) will need to be legally qualified, while ability or experience in alternative dispute resolution procedures may be a selection criterion for new Tribunal members. The Chairperson will be able to give more extensive

procedural directions and authorise the Registrar and Deputy Registrar to exercise certain functions of the Tribunal. New limits to the period for recommencing proceedings will be introduced and a second application for a rehearing will be possible if significant new evidence comes to light. More time will be allowed for a written statement of reasons for a decision to be prepared, and sound recordings of all hearings will be made, as far as is reasonably practicable. In acknowledgement of the specific needs and circumstances of social housing clients, there will be a new Social Housing Division. It is anticipated that the new amendments will commence in late 2008.

### *Motor dealer reforms*

A number of recommendations for reform of the *Motor Dealers Act 1974* were made after a review that involved consultation with the motor vehicle retailing and services sector. Changes to the Act were approved by Cabinet in October 2007, and amendments to the Motor Dealers Regulation 2004 were drafted. When the amendments commence the red tape burden on motor dealers will be lessened by treating demonstrator motor vehicles like other second-hand vehicles, reducing the number of forms a motor dealer must keep, and making a number of improvements in the layout of several forms to make them easier to comprehend and use.

### *Consumer claims*

Amendments to the *Consumer Claims Act 1998* commenced on 1 March 2008 following a statutory review. The amendments made a number of changes to the Act to clarify its jurisdiction and improve dispute resolution processes for consumers applying to the Consumer, Trader and Tenancy Tribunal. The time period for applying to the Tribunal was extended and the general jurisdiction limit of the Tribunal was increased to \$30,000.

### *Trade measurement*

The *Trade Measurement Legislation Amendment Act 2007* was given assent on 1 November 2007. It is part of the uniform trade measurement legislation and identical amendments are progressively being implemented by the other states and territories. The amendments include licensing arrangements for public weighbridge and servicing licensees, improved consumer protection by clarifying how the volume of firewood may be measured, amendments to definitions and other technical matters to improve the administration of the legislation.

### *Product safety*

The Fair Trading Amendment (Prams and Strollers) Regulation 2008 commenced on 1 July 2008 - the same date as the complementary Commonwealth standard. Both standards make reference to the Australian/New Zealand Standard AS/NZS 2088:2000 Prams and Strollers – Safety Requirements. The standard particularly addresses requirements for brakes, safety restraints, tether straps, testing procedures and labelling.

To prevent or reduce risk of injury, the Fair Trading Amendment (Monkey Bikes) Regulation 2007 was introduced on 14 December 2007. It requires these bikes to meet certain safety requirements in relation to their throttle (accelerator), braking systems, foot pegs, steering head system, and supplemental engine stop or cut-out switch. The Regulation is a result of extensive consultation with other State and Territory safety regulators to ensure that a harmonised outcome was achieved Australia-wide.

### *Bills assented to*

- *Associations Amendment (Cancellation of Incorporation) Act 2007*. Assented to 29 October 2007.
- *Consumer Claims Amendment Act 2007*. Assented to 7 December 2007.
- *Fair Trading Amendment (Funeral Goods and Services) Act 2007*. Assented to 4 July 2007.

- *Motor Dealers Amendment Act 2007*. Assented to 29 October 2007.
- *Trade Measurement Legislation Amendment Act 2007*. Assented to 1 November 2007.
- *Strata Management Legislation Amendment Act 2008*. Assented to 18 June 2008.

### *Statute law revision*

Under the Statute Law Revision program, a Bill is introduced in each Session of Parliament to deal with a range of minor and uncontroversial legislative amendments. A number of amendments were made to fair trading legislation under this program during 2007/08. During the Spring Session of 2007 the following amendments were made:

- *Fair Trading Act 1987 (Section 44A , Schedule 4A)*
- *Home Building Act 1989 (Schedule 1)*
- *Residential Parks Act 1998 (Section 88)*
- *Conveyancers Licensing Act 2003 (Section 95)*
- *Property, Stock and Business Agents Act 2002 (Sections 5, 47, 60, 64, 128, 153)*
- *Property, Stock and Business Agents Regulation 2003 (Clause 11).*

### *Subordinate legislation review*

On 1 September 2007, the following regulations were remade under the staged repeal provisions of the Subordinate Legislation Act 1989:

- *Community Land Management Regulation 2007*
- *Consumer Claims Regulation 2007*
- *Consumer Credit (NSW) Special Provisions Regulation 2007*
- *Fair Trading Regulation 2007.*

## Office of Industrial Relations

### *Industrial and Other Legislation Amendment (APEC Public Holiday) Act 2007*

The main purpose of this Act was to amend the Industrial Relations Act 1996 to deem 7 September 2007 to be a paid public holiday under State industrial instruments for those employees who worked within the designated APEC public holiday areas of the Sydney metropolitan area. To complement these provisions the *Long Service Leave Act 1955* was amended to ensure that the APEC public holiday was treated the same as any other public holiday falling within an employee's period of long service leave.

The Act also amended the *Shops and Industries Act 1962* to enable the Minister for Industrial Relations, if required, to close general shops in the central business district on the APEC public holiday. Regulation making provisions were also inserted in the *Banks and Bank Holidays Act 1912* to clarify the public holiday in terms of its effect as a business day, a public holiday or a working day for the purposes of any Act or any statutory instrument.

[Commencement: 4 July 2007 (GG No. 90, 13/07/07, p. 4485)]

### *Public Sector Employment and Management Amendment Act 2008*

This Act amends section 19 of the *Government and Related Employees Appeal Tribunal Act 1980* to provide that the notice of appointment that a public sector employer is required to publish can appear

on the NSW Government's recruitment website. A notice is deemed to be distributed on that website if the website is made available to employees of the public sector employer.

[Commencement: 16 May 2008]

### *Shop Trading Act 2008*

The purpose of this Act is to repeal the *Shops and Industries Act 1962* to de-regulate shop trading hours while restricting shop trading on Good Friday, Easter Sunday, ANZAC Day (but only until 1.00pm), Christmas Day and Boxing Day. Small shops and specified other shops will be permitted to trade on those days. The Director-General of the Department of Commerce will be permitted to grant exemptions to other shops from the trading restrictions. Provisions relating to weekend bank trading will be transferred to the *Banks and Bank Holidays Act, 1912*.

[Commencement: 1 July 2008]

### *Miscellaneous Acts Amendment (Same Sex Relationships) Act 2008*

This Act amends the *Industrial Relations Act 1996* to extend parental leave to female employees in connection with the birth of children to their same sex partners. A female employee's child is presumed to be the child of the employee by virtue of amendments to the parenting presumptions to be included in the Status of Children Act. The provisions will apply to leave taken before the commencement of the Act provided the leave is taken within 12 months of a child's birth.

The Act also amends the definition of employee in section 5 of the *Industrial Relations Act 1996* to exclude a person who is employed or engaged by his or her de-facto partner from being an employee.

[Assented to on 11 June 2008. Awaiting proclamation]

### *Legislative changes - Regulations*

#### **Banks and Bank Holidays Regulation 2007**

This Regulation provides that the APEC public holiday of 7 September 2007 is taken not to be a business day for the purposes of Part 4 of the Dust Diseases Tribunal Regulation 2007.

[Commencement: 7 September 2007 GG No 116 of 7.9.2007, p 6879]

#### **Shops and Industries Regulation 2007**

The object of this Regulation is to remake, without substantial alteration, the Shops and Industries (Trading) Regulation 2002 which was repealed on 1 September 2007 by section 10(2) of the *Subordinate Legislation Act 1989*.

[Commencement: 1 September 2007 (GG No 108 of 31.8.2007, p 6517)]

#### **Industrial Relations (General) Amendment (Fees) Regulation 2007**

This Regulation provides for an increase in certain fees that the Industrial Relations Commission charges in relation to the conduct of matters before it. The fee increases are consistent with fee changes for other NSW courts.

[Commencement: 1 July 2007]

#### **Industrial Relations (Child Employment) Amendment Regulation 2007**

This Regulation amends the Industrial Relations (Child Employment) Regulation 2006 to provide that an appeal against the issue of a compliance notice under the *Industrial Relations (Child Employment) Act 2006* is to be conducted in accordance with the Industrial Court rules made under section 185 of the *Industrial Relations Act 1996*.

[Commencement: 30 November 2007]

## Appendix 17 – New South Wales Government Telecommunications Authority

The vision of the NSW Government Telecommunications (Telco) Authority, as outlined by the *NSW Government Telecommunications Act, 1991* (the Telco legislation) is to improve the integration of the Information and Communications Technology (ICT) capabilities and assets of New South Wales for the betterment of New South Wales Government telecommunications and the community.

### Functions of the Board

- to determine the policies and long term strategic plans of the Authority
- to oversee the effective, efficient and economical management of the Authority
- to advise the Minister on any matter relating to the telecommunications requirements of the Government or on the commercial advantages available to the Government with respect to the State.

### Aims and objectives

- to use the provisions of the Telco legislation to better integrate information and communications technology capabilities
- to use its functions, including the ability to conduct any business connected with telecommunications, to the best advantage of the State.

### Membership

The Government regularly reviews the role of the Board and its relevance to current telecommunications strategies and policies. A number of options are currently under consideration.

### Administration

As provided for under the Telco legislation, the acting Managing Director is currently assisted on an as needs basis by the Government Chief Information Office, an administrative area of the Department of Commerce.

### Report on operations

During the reporting year Telco operations have been confined to an investment role on behalf of the NSW Government.

Telco is a majority shareholder in the Australian Centre for Advanced Computing and Communications (ac3), a private company incorporated on 10 November 2000. The other equity holders are eight NSW universities.

Online service delivery activities were undertaken by ac3 (see Appendix 3).

Corporate support services to Telco are provided by the Department of Commerce. All payments required to be made by Telco are processed by the Department on its behalf, with a minimal number of payments made in 2007/08. These payments are reflected in the payment performance indicators published in the Department of Commerce Annual Report.

For all other administrative procedures, policies and processes for this report please refer to the other Department of Commerce annual report appendices.

## Appendix 18 - Other supported entities

Officers of the State Records Authority, NSW Businesslink, the Consumer, Trader and Tenancy Tribunal, the Rental Bond Board, the Motor Vehicle Repair Industry Authority, the Fair Trading Administration Corporation and the Building Insurers' Guarantee Corporation are included in Commerce staff numbers (see page 65) but are independent of Commerce in respect of funding and annual reporting arrangements.

The functions of the Festival Development Corporation were removed from Commerce on 1 August 2007 and transferred to the Department of Lands.

## Appendix 19 - Overseas travel

In 2007/08, fourteen officers travelled overseas on government business, some at minimal or no cost to government.

### **Peter Poulet – New Zealand**

Purpose: Provide a series of presentations to industry professionals in New Zealand.

Benefits: Opportunity to demonstrate and promote the NSW Government's commitment to environmental design, sustainable applications and reduction of greenhouse gas emissions.

### **Lyn Baker and Rod Stowe – New Zealand**

Purpose: Attend the Standing Committee of Officials of Consumer Affairs meeting in New Zealand.

Benefits: Opportunity to provide input and comments regarding a number of consumer affairs and fair trading matters of national significance. Fair Trading was the lead agency on a number of key agenda items aimed at the development of a consistent approach to those issues of national significance.

### **Kirsten Thorpe – New Zealand**

Purpose: Presentation of a paper on the record keeping needs of Indigenous Australians.

Benefits: The convention provided an opportunity to showcase the important contribution of Indigenous archivists to the scheme.

### **Bruce Pettman – Taiwan**

Purpose: Keynote speaker and forum moderator at the Conference on the Science of Conservation of Cultural Properties (Ancient remains, historic settlements and landscapes).

Benefits: Provided an opportunity to maintain and promote Commerce and New South Wales in the field of heritage conservation.

### **Brian Cooper – New Zealand**

Purpose: Provision of contract services regarding expert peer review of the safety arrangements associated with the Mahinerangi Dam in Waipouri, New Zealand.

Benefits: Provided the opportunity to demonstrate Commerce's expertise, knowledge and reputation to a major New Zealand-based infrastructure utility.

### **Dene Jamieson – New Zealand**

Purpose: Attend the 2007 Australian national Committee on Large Dams Conference.

Benefits: Opportunity to gain current knowledge and expertise in the specialised areas of dam engineering including safety performance, assessment of economic and community needs and the application of state of the art dam technology.

### **Rod Stowe – Hong Kong**

Purpose: Guest speaker at Asian Symposium on direct selling.

Benefits: Opportunity to participate in the Symposium and to showcase New South Wales approach to direct commerce regulation and regulatory reform, collaboration on regulatory projects, including developing a better understanding of the impact of the direct selling industry in Asia Pacific region.

#### **Sonya Thompson – New Zealand**

Purpose: Attend Electrical Regulators Authorities Council meeting in Wellington, New Zealand.

Benefits: Opportunity to complete Fair Trading's obligations to the Council and to discuss progress on the NZ Gas Appliances review project.

#### **Jack Domis – New Zealand**

Purpose: To attend the 4th International i-Rec Conference in New Zealand.

Benefits: Opportunity to gain expert knowledge in the field of disaster recovery strategies and processes to ensure Commerce's preparedness to meet any future major disaster incidents.

#### **Lyn Baker and Susan Dixon – New Zealand**

Purpose: Attend the Standing Committee of Officials for Consumer Affairs and the Ministerial Council of Consumer Affairs meetings in Auckland, New Zealand.

Benefits: Opportunity to participate in high level discussions on issues of national significance about the regulation of finance brokers, in which Fair Trading is the lead agency, and consideration of proposals regarding the lending practices of credit providers.

#### **Mark Upton – New Zealand**

Purpose: To witness the treatment process used at a major water treatment plant in Waikato, New Zealand, that is using technology planned for the new Bray Park Water Treatment Plant for Tweed Shire Council.

Benefits: Completion of contractual obligations to the Tweed Shire Council regarding the delivery of design proposals for the Bray Park Water Treatment Plant.

#### **Cassandra Findlay – New Caledonia**

Purpose: Presentation of a paper to the "Ready Set Go Digital Readiness in Archives Institutions" to the Pacific Regional Branch Conference of Archivists that was held in Noumea, New Caledonia.

Benefits: Opportunity to showcase the work of the New South Wales Government in the field of digital recordkeeping, learning techniques and approaches that will directly assist the current project to develop digital archiving solution, explore possibilities for reducing the costs of shared digital recordkeeping and archiving research.

## **Appendix 20 – Publications**

### **Office of Fair Trading**

Office of Fair Trading publications are available from:

- the Fair Trading website ([www.fairtrading.nsw.gov.au](http://www.fairtrading.nsw.gov.au))
- any one of 24 Fair Trading Centres located throughout New South Wales (see Appendix 24 Commerce offices for contact details)
- the NSW Government Online Bookshop.

### **Government Chief Information Office**

A range of publications and guidelines about information and communications technology are available on the GCIO website ([www.gcio.nsw.gov.au/](http://www.gcio.nsw.gov.au/))



## Office of Industrial Relations

The Office of Industrial Relations has the following policy documents available for inspection and/or purchase:

- Corporate Plan
- Charging and Pricing Guidelines
- Various policies and procedures relating to work specification and operational matters, including:
  - Guidelines for Accepting Industrial Complaints
  - Workplace Targeting Policy & Procedures

Note: Where copies of policy documents are required, a photocopy fee of 20 cents per sheet is payable. However, in all cases, documents are only charged for when the total value of an individual request is \$10.00 or more.

The OIR also has a variety of current brochures, pamphlets, newsletters and booklets containing information on New South Wales industrial relations matters available to interested members of the public which are provided free of charge.

A full list of these publications is available on the OIR website ([www.industrialrelations.nsw.gov.au](http://www.industrialrelations.nsw.gov.au))

## NSW Procurement

A range of publications can be found on the following websites:

### **Government procurement policy and strategy**

[www.dpws.nsw.gov.au/Government+Procurement/Government+Procurement+Publications/Government+Procurement+Publications.htm](http://www.dpws.nsw.gov.au/Government+Procurement/Government+Procurement+Publications/Government+Procurement+Publications.htm)

### **Construction Procurement Publications**

[www.dpws.nsw.gov.au/Government+Procurement/Government+Procurement+Publications/Construction+Procurement+Publications.htm](http://www.dpws.nsw.gov.au/Government+Procurement/Government+Procurement+Publications/Construction+Procurement+Publications.htm)

### **Procurement System for Construction**

[www.dpws.nsw.gov.au/Government+Procurement/Procurement+System/Procurement+System.htm](http://www.dpws.nsw.gov.au/Government+Procurement/Procurement+System/Procurement+System.htm)

### **Service Provider Prequalification Schemes**

For Prequalification Schemes for contract works of various types and value ranges

[www.dpws.nsw.gov.au/Tenders/Construction+Suppliers/Prequalification+Schemes.htm](http://www.dpws.nsw.gov.au/Tenders/Construction+Suppliers/Prequalification+Schemes.htm)

### **Security of Payment Act Information Package**

[www.dpws.nsw.gov.au/Government+Procurement/Security+of+Payment/Security+of+Payment.htm](http://www.dpws.nsw.gov.au/Government+Procurement/Security+of+Payment/Security+of+Payment.htm)

### **Goods and services procurement**

For goods and services period contracts and related guideline documents

[www.contractservices.nswp.commerce.nsw.gov.au/Home.htm](http://www.contractservices.nswp.commerce.nsw.gov.au/Home.htm)

### **Electronic Tenders**

<https://tenders.nsw.gov.au/commerce/index.cfm>

### State Contracts Control Board

<http://www.dpws.nsw.gov.au/Government+Procurement/State+Contracts+Control+Board/State+Contracts+Control+Board.htm>

Note: NSW Procurement introduced a new website in September 2008 (outside the reporting period). Publications can also be found here at [www.nswbuy.com.au/publications.aspx](http://www.nswbuy.com.au/publications.aspx)

### Office of Public Works and Services

A number of publications are available for purchase. A list of them can be found on the website <http://www.dpws.nsw.gov.au/About+Us/Publications/Public+Works+and+Services+Publications.htm>

### Strategic Communications and Government Advertising

NSW Government Advertising Guidelines

<http://www.advertising.nswp.commerce.nsw.gov.au/Advertising/Government+Advertising+Guidelines/Government+Advertising+Guidelines.htm>

## Appendix 21 – Research and development

### Government Chief Information Office

GCIO liaises with a number of research and development organisations where research and development activities and information are relevant to government ICT planning and services. In 2007/08, this included working closely with National ICT Australia (NICTA) and Smart Services Cooperative Research Centre.

NICTA - a Research Institute and Centre of Excellence in science and technology innovation that brings together many of Australia's and the world's top researchers in ICT. NICTA combines excellence in research, education, commercialisation and collaboration.

Smart Internet Technology Cooperative Research Centre (Smart Internet) - an incorporated joint venture between industry, leading universities and state governments. Its key purpose is to develop new technologies in the Smart Internet arena, carrying out world-class research into internet technologies that have global commercial opportunity.

### Office of Industrial Relations

#### *Parental leave in Australia – Access, utilisation and efficacy*

The project is an Australian Research Council linkage project to which the OIR has provided funding. The three-year project was undertaken by Queensland University and had three stages involving the Parental Leave in Australia Survey of 3,500 mothers from the Longitudinal Survey of Australian Children, case studies of eight medium to large organisations and follow up household interviews. The purpose of this research was to fill gaps in the reconciliation of work and family responsibilities to assist further policy development.

#### *Negotiating caring and employment – Impact on carers' wellbeing*

This is an Australian Research Council linkage project being undertaken by the Social Policy Research Centre at the University of New South Wales. The two year study was completed in 2007. The purpose of the research was to collect information on the barriers to continuing employment or re-entry into the labour market on account of caring responsibilities for ageing or disabled family members. The final draft report was provided to the OIR in June 2008 and is due for release in October 2008.

NSW Department of Commerce Annual Report 2007/08 ISSN 1832-1232

© NSW Department of Commerce 2008

### *The impact of national work regulation on low paid women workers in New South Wales*

In 2006 the Women in Social and Economic Research at Curtin University conducted a national research project examining the effects of Work Choices on low paid women to which the OIR contributed funding. The first stage of research produced the Women's pay and conditions in an era of changing workplace regulations: Towards a 'Women's Employment Status Key Indicators' database. The New South Wales component of the research was undertaken by the Women and Work Research Group, Faculty of Economics and Business at the University of Sydney which produced the resultant report *Down and Out: The Impact of Work Choices on the Work and Lives of Women in Low Paid Employment* which was released in July 2007.

### *Study of international parental leave models*

In 2008 the Women and Work Research Group at University of Sydney was commissioned to investigate the successful operation and funding of paid maternity, paternity and parental leave schemes in other OECD nations. The aim of the research was to inform the OIR's policy research and development in the area of paid parental leave. A final background briefing paper was completed in July 2008.

The Centre of Full Employment and Equity at the University of New South Wales provided advice about cost implications for the OIR's policy development.

### *Flexible working entitlements for mature age workers with caring responsibilities*

The OIR has commissioned the Work and Organisational Studies Unit of the Faculty of Economics and Business at the University of Sydney to examine the under researched area of flexible working arrangements for mature age workers with responsibilities for ageing family members and will also consider the precariousness of this group's attachment to the workforce. The project aims to remedy gaps in the current research and is expected to be completed in October 2008.

### *The interaction of existing anti-discrimination legislation with the Federal Government's National Employment Standards*

The Women, Work and Research Group at the University of Sydney has examined the interaction of federal and New South Wales discrimination laws with the federal government's National Employment Standards for family related leave. The draft research report, *Interaction of the Sex Discrimination Act 1984 (Cth), the Anti-Discrimination Act 1977 (NSW) and the National Employment Standard 'Rights to Request'* was submitted to the OIR in July 2008. The findings of the research will inform the New South Wales Government response to the federal government's proposed new work and family policies.

### *Inquiry into options for a new national industrial relations system*

In August 2007 the New South Wales Government announced it would conduct an inquiry into options for a new national industrial relations system. The Inquiry was chaired by eminent constitutional expert Professor George Williams, the Anthony Mason Professor and Director of the Gilbert and Tobin Centre of Public Law at the University of New South Wales. Professor Williams delivered his final report in November 2007, *Working Together: Inquiry into Options for a new National Industrial Relations System*. In addition to paying for Professor Williams' time and travel as well as associated costs such as printing and mailing of the issues paper and final report, the OIR provided office, secretarial, research and other support services to Professor Williams.

### *Enforceable rights project*

The Workplace Research Centre was commissioned by the OIR to accurately identify changes in employment conditions from a base of state and federal awards to new collective agreements under the Work Choices legislation. The results of the research project were published in *Lowering the standards: from awards to Work Choices in retail and hospitality collective agreements* in September 2007. The results provide valuable information about the impact of the former federal government's workplace relations model which has informed policy development aimed at ensuring that there are fair employment standards and safeguards in New South Wales.

### *Employer greenfield agreements*

The Work and Employment Rights Research Centre at Monash University was commissioned to analyse 105 Employer Greenfield Agreements lodged by New South Wales employers with the Office of Employment Advocate (now the Workplace Authority). Similar to the Enforceable Rights Project, the Employers Greenfields survey provides valuable information about the impact of the former federal government's workplace relations model and has thus informed policy development to ensure fair employment standards and safeguards in New South Wales. The final report *Employer Greenfield Agreements under Work Choices* was released in August 2007.

### *Industry research notes for award modernisation*

The Workplace Research Centre at the University of Sydney prepared analyses of the metal manufacturing, retail, hospitality and clerical industries at the request of the OIR to inform the New South Wales Government's submissions to the award modernisation process currently being conducted by the Australian Industrial Relations Commission. The key research components driving the analysis were the employment and industrial relations characteristics of employees affected by the award modernisation process and the industrial arrangements of employees working in retail, hospitality, metal manufacturing and private sector clerical work. The analysis draws on data from the Australia at Work study and the Eastern Seaboard Workplace and Industrial Relations Survey. A background briefing paper was completed in July 2008.

### *Best practice industrial arrangements for training*

The Workplace Research Centre at the University of Sydney was commissioned to identify best practice industrial arrangements that support vocational education and training. The research was a response to the lack of transparency in individual bargaining arrangements under Work Choices and how arrangements designed to facilitate skills development, in particular for apprentices and trainees, were subsequently undermined. The research also examines possible changes to existing award provisions through the award modernisation process being undertaken by the Australian Industrial Relations Commission. The final report, which was submitted in June 2008, informed the New South Wales Government's submission to the Australian Industrial Relations Commission on the award modernisation process.

### *Ethical excellence in the New South Wales public sector*

This is an Australian Research Council linkage project being undertaken by the School of History and Philosophy at the University of New South Wales. This three stage project will involve an inquiry into public sector organisations in order to ascertain current opinions and impressions within these organisations with respect to indicators of ethical performance, particularly ethically excellent performance, policies currently in place to develop, promote, and maintain ethical practices, and ambitions in the public sector to progress further in this area. The final report is due in June 2009.

### *Economic and Labour Relations Review Symposium*

The OIR provided support to the Industrial Relations Research Centre at the University of New South Wales and the Workplace Research Centre at the University of Sydney for a symposium which was held on 16 June 2008, entitled 'Remaking Industrial Relations'. The OIR's Deputy Director-General, Ms Pat Manser, introduced the day where a number of speakers, including academics, practitioners and representatives from state industrial relations agencies addressed the question 'what should an industrial relations system seek to achieve in contemporary Australia, and how can we get there?'

### *Weekly individual income for selected occupations in New South Wales*

The Australian Bureau of Statistics has provided information from the 2006 Census on the weekly income of individuals from selected occupations to inform research and analysis currently being undertaken by the OIR.

### *Sponsorship of the 15th International Industrial Relations Association World Congress 2009*

The International Industrial Relations World Congress 2009 is to be held in Sydney in August 2009. The event is being organised by the Industrial Relations Society of Australia and is expected to attract 1200 delegates from across the industrial relations sector. The OIR has taken out a Silver Sponsor Package with the aim of promoting debate and contributing to current discourse on industrial relations issues as well as highlighting to conference participants the ongoing contribution of New South Wales to the development of industrial relations in Australia.

## Office of Public Works and Services

### *NSW Water Solutions*

NSW Water Solutions, in conjunction with fish biologists, continued research and development of fish passage designs to improve functionality at reduced construction costs. Latest developments are expected to provide the best value for money fish passage structures and have the potential to save up to \$1 million in construction costs per major fish passage structure.

NSW Water Solutions also continued its membership of the New South Wales Dams Safety Committee and the New South Wales Dams Surveillance Sub-committee for the research, review and preparation of guidelines for dam safety in NSW.

NSW Water Solutions is also a member of the specialist Australian National Committee on Large Dams group revising the national design guidelines for concrete gravity dams. These guidelines will provide a much improved basis for the analysis of existing concrete gravity dams and the design of new ones.

NSW Water Solutions strengthened partnerships with research establishments including:

- Newcastle University Urban Water Research Program
- Cooperative Research Centre for Water Quality and Treatment; involving water quality modelling of storages and reservoirs.

Surveying and Spatial Information Services developed a web based information system for the Sydney Harbour Foreshore Authority using Google Earth which has opened a new platform to deliver mapping projects to clients.

Manly Hydraulics Laboratory has continued to contribute to research and development in Algal Bloom Warning System Development (Berowra Council), saltwater ingress in sewers (Sydney Water and Interflow), development of non-urban water meter standards (Commonwealth), research and development of environmental data transfer directly from field and laboratory data loggers by wireless means to provide near real-time data.

NSW Department of Commerce Annual Report 2007/08 ISSN 1832-1232

© NSW Department of Commerce 2008

NSW Water Solutions became a founder general member of the new research company Water Quality Research Australia P/L.

NSW Water Solutions continued a project initiated in 2006/07, which was based on in-situ monitoring of hydraulic parameters within operational sewage treatment reactors. The project's aim is to confirm/update parameters conventionally adopted in design, to allow optimisation of reactor configuration and hence maximum practical economy. Investigations undertaken in conjunction with the Environmental Biotechnology CRC highlighted the impact of septage discharges on these parameters and the need for their adjustment at locations where these discharges are significant.

### *Project Management*

Project Management continued to enhance and implement the Early Contractor Involvement process for engagement of contractors on eight projects in 2007/08, following its original development in 2006 on the \$100 million the Shannon Creek Dam project near Grafton. This process leads to significant improvement in risk identification and risk allocation on complex projects. Benefits include improved certainty of pricing, a reduction in unforeseen risks and greater certainty of project delivery on time and within budget. This process will be further developed and more broadly implemented during 2008/09

## **Appendix 22 – Significant judicial decisions**

### **Office of Industrial Relations**

#### *State Wage Case 2008 (27 June 2008)*

The Industrial Relations Commission of NSW handed down its 2008 State Wage Case decision on 27 June 2008, increasing award wages and work related allowances by four per cent per week. The OIR prepared submissions and supported the position of the Minister and the Government. For the first time, the Commission established a state minimum wage for adult employees (currently \$552.70) who are subject to its jurisdiction and whose employment is not determined by an industrial instrument. The decision to create a state minimum wage will be reviewed in December 2008.

## **Appendix 23 - State Contracts Control Board**

### **Legislative powers**

The NSW State Contracts Control Board was established under chapter 7 of the *Public Sector Employment and Management Act 2002* (The Act) as the sole body to arrange supply of goods and services for the public sector service. The Board's role and functions are set out in the Public Sector Management (Goods and Services) Regulation 2000 (Regulation).

In April 2007, the Public Sector Management (Goods and Services) Regulation was amended to broaden its scope from "public service" only to extend to the "public sector service". This affected the role of the State Contracts Control Board, extending its scope of responsibilities, to all agencies, departments and bodies under the term "public sector service" as defined in the Act.

### **Membership**

Membership of the State Contracts Control Board includes representatives from central, budget and non-budget agencies. Members are appointed by the Minister, at least five of whom are appointed to represent public sector agencies that use goods and services supplied in accordance with chapter 7 of the Act and the Regulations made under it.

Membership to the Board is for a term of three years. In February 2008, membership was renewed for a term up to 31 January 2011.

### *Members and Deputies at 30 June 2008*

Full Members	Deputies
Mr John Lee, Chairman, Dept of Commerce	Mr David Callahan, Alternate Chair, Dept of Commerce
Mr Stephen Brady, NSW Treasury	Mr Stephen Chong, NSW Treasury
Mr David Gates, Dept of Health	Mr Ken Barker, Dept of Health
Mr Paul Hopkins, Dept of Education and Training	Mr Ben Escudero
Dept of Education and Training	
Ms Fran McPherson, NSW Police	Mr John Karaboulis, NSW Police
Ms Rosemary Milkins, Dept of Premier and Cabinet	Mr Darren Mitchell, Dept of Premier and Cabinet
Mr David Morrison, Integral Energy	N/A
Mr Emmanuel Rodriguez, (Strategic ICT Adviser) Dept of Commerce	N/A
Ms Janine Ricketts, Dept of State and Regional Development	Mr Michael O'Sullivan, Dept of State and Regional Development
Mr Tim Rogers, Dept of Environment and Climate Change	Ms Roz Hall, Dept of Environment and Climate Change
Mr Rod Tout, Roads and Traffic Authority	Mr David Ebert, Roads and Traffic Authority

## Meetings

The Board meets once a month and, if required, the SCCB Operations subcommittee meets a fortnight after each full Board meeting to review submissions pertaining to procurement strategies, proposed contract extensions or to activate options under existing contracts, and contract awards. In 2007/08, there were 13 full Board meetings, one of which was a special meeting held on 19 December 2007. Only three subcommittee meetings were required during the year.

## Strategic priorities and achievements

### *Contract utilisation*

All agencies are required to purchase from State Contracts Control Board contracts where they are available (Premier's Memorandum 2006-11 NSW Procurement Reform).

*In 2007/08 the top 10 contacts based on sales data were:*

Contract Number	Description	*Sales 2007/2008
653	Acquisition of Motor Vehicles	\$614,790,000

366	Fuel & Associated Products	\$390,191,250
DITM 2000-01 & 2360	Telecom Service Agreement	\$213,782,999
1078	Labour Hire – Admin, Finance, Specialist	\$203,792,182
881	IT Contracting Personnel	\$201,138,717
603	Vehicle Disposal	\$190,537,600
901& 902	Pharmaceuticals	\$119,713,649
2000 & 2007	PCs, Notebooks, Servers & Assoc.	\$104,911,408
777	Retails Supply of electricity	\$91,553,256
801	Food Service	\$81,991,149

\*Sales figures in the above table are the latest available at this report's date of publication and are subject to change as outstanding sales reports are progressively advised to the SCCB by suppliers.

### *Oversight of strategic procurement activities*

A number of decisions were exercised by the State Contracts Control Board based on submissions received from NSW Procurement for both state contracts and client specific contracts.

## SCCB tendering complaints handling function

The Chairperson of the State Contracts Control Board deals with complaints about all NSW Government tenders. The Chairperson investigates complaints to determine whether any tenderer has been treated unfairly and to examine whether the procurement process was appropriate and in accordance with New South Wales Government procurement policies and procedures.

During the year, the Chairperson received 15 complaints under the State Contracts Control Board tendering complaints handling procedures, in relation to tenders for the procurement of goods and services. All complaints were investigated and agencies advised where any departures from New South Wales Government procurement policies or procedures were identified. None of the complaints involved a significant departure from NSW Procurement policies and procedures.

## Statutory reporting requirements

The State Contracts Control Board has a statutory requirement to report:

- details of investigations relating to competitive neutrality tendering complaints referred to it by the relevant Minister
- details of any directions given to the State Contracts Control Board by the Minister under the Public Sector Management (Goods and Services) Regulation 2000.

During 2007/08 no competitive neutrality tendering complaints were referred to the State Contracts Control Board for investigation.

The State Contracts Control Board, as an extension of its complaint handling process, is the complaints handling body that reviews competitive neutrality complaints about tendering for government business. The Board deals with any competitive neutrality tendering complaints referred to it by the relevant Minister.

During 2007/08 there were no directions given to the State Contracts Control Board by the Minister under the Public Sector Management (Goods and Services) Regulation 2000.



## Appendix 24 - Commerce Offices

### Department of Commerce

McKell Building  
 2-24 Rawson Place  
 Sydney NSW 2000  
 Tel: (02) 9372 8877  
 Fax: (02) 9372 7070  
 Business Hours: 8.30am – 5.30pm  
[www.commerce.nsw.gov.au](http://www.commerce.nsw.gov.au)

### Government Chief Information Office

Level 21 McKell Building  
 2-24 Rawson Place  
 Sydney NSW 2000  
 Tel: (02) 9372 8278  
 Fax: (02) 9372 8299  
 Email: [info.gcio@commerce.nsw.gov.au](mailto:info.gcio@commerce.nsw.gov.au)  
[www.gcio.nsw.gov.au](http://www.gcio.nsw.gov.au)

### State Records Authority of New South Wales

Western Sydney Records Centre	Sydney Records Centre	Government Records Repository
143 O'Connell Street Kingswood NSW 2747	2 Globe Street The Rocks NSW 2000 Tel: (02) 9673 1788 Fax: (02) 9833 4518 Email <a href="mailto:records@records.nsw.gov.au">records@records.nsw.gov.au</a> <a href="http://www.records.nsw.gov.au">www.records.nsw.gov.au</a>	143 O'Connell Street Kingswood NSW 2747 Tel: (02) 9673 1788 Fax: (02) 8805 5306 Email <a href="mailto:grr.nsw.@records.nsw.gov.au">grr.nsw.@records.nsw.gov.au</a> <a href="http://www.records.nsw.gov.au/grr">www.records.nsw.gov.au/grr</a>

## Corporate Services & Review

<b>Department of Lands Building</b>	<b>Parramatta</b>	<b>Orange</b>
23 – 33 Bridge Street	Level 8, 9 & 13,	161 Kite Street
Sydney NSW 2000	10 Valentine Ave Parramatta	Orange NSW 2800
Switchboard (02) 9228 6111	NSW 2124	Tel: (02) 6391 3480
	PO Box 3720	Fax: (02) 6391 3329
	Parramatta NSW 2124	
	Switchboard (02) 9895 6211	
<b>Newcastle</b>	<b>Grafton</b>	<b>Tamworth</b>
Level 2-3, 26 Honeysuckle Drive	76 Victoria Street	155 - 157 Marius Street
Newcastle NSW 2300	Grafton NSW 2460	Tamworth NSW 2340
PO Box 2213	Postal Locked Bag 10	Po Box 550
Dangar NSW 2309	Grafton NSW 2460	Tamworth NSW 2340
Tel: (02) 4904 2550	Tel: (02) 6641 6512	Tel: (02) 6701 9632
Fax:(02) 4904 2501	Fax: (02) 6641 6641	Fax: (02) 6701 9682
<b>Sydney</b>	<b>Sydney</b>	<b>Sydney</b>
2-24 Rawson Place	Level 2, 3 & 11, Bligh House	Level 15 Governor Macquarie Tower
SYDNEY NSW 2000	4-6 Bligh Street	1 Farrer Place
Tel: (02) 9372 8877	SYDNEY NSW 2000	Sydney NSW 2000
Fax: (02) 9372 7070	Business Hours: 8.00am - 5.30pm	Tel: (02) 9228 3400
Business Hours: 8.00am - 5.30pm		Fax: (02) 9228 3292
		Business Hours: 8.00am - 5.30pm
<b>Wagga Wagga</b>	<b>Queanbeyan</b>	<b>Wollongong</b>
Level 1 Govt Offices	Suite 107 Level 1	Level 3 Block G
43-45 Johnston Street	Riverside Plaza	84 Crown Street Wollongong
Wagga Wagga	131 Monaro Street	NSW 2520
PO Box 10 Wagga Wagga NSW 2650	Queanbeyan	PO Box 867
Tel: (02) 6701 9632	NSW 2620	Wollongong NSW 2520
Fax: (02) 6701 9682	PO Box 189	Tel: (02) 4224 9620
	Queanbeyan NSW 2620	Fax (02) 4224 9650

## Office of Fair Trading

Head Office	Register of Encumbered Vehicles	Registry of Cooperatives & Associations
For information and enquiry, call 1300 135 399 or 9641 6521 for the hearing impaired TTY. The Consumer, Trader and Tenancy Tribunal. Registry locations are:		
1 Fitzwilliam Street Parramatta NSW 2150 Tel: (02) 9895 0111 Fax: (02) 9895 0222 www.fairtrading.nsw.gov.au	1 Fitzwilliam Street Parramatta NSW 2150 Tel: 13 32 20 (7 days) Fax: (02) 9891 5135	154 Russell Street Bathurst NSW 2795 Tel: (02) 6333 1400 or 1800 502 042 Fax: (02) 6333 1444
<b>Standards Laboratory</b> Bradfield Road Lindfield West NSW 2070 Tel: (02) 8467 4400 Fax: (02) 8467 4444	<b>Aboriginal Tenancy Information</b> Tel: 13 32 20 or 1800 500 330	
<b>Fair Trading Centres</b>		
Fair Trading Centres are located at the following addresses. Call 13 32 20 for all Fair Trading enquiries. If you are located outside the Sydney metropolitan region you can contact the Fair Trading Centre nearest you on 13 32 20. Calls to this number from within the Sydney metropolitan region and from all mobile telephones will be received at our Fair Trading Information Centre.		
Albury 490 David Street Albury NSW 2640	Armidale 85 Faulkner Street Armidale NSW 2350	Bathurst 154 Russell Street Bathurst NSW 2795
Blacktown Level 3 22 Main Street Blacktown NSW 2148	Broken Hill 32 Sulphide Street Broken Hill NSW 2880	Coffs Harbour 22 Park Avenue Coffs Harbour NSW 2450
Dubbo 50 Wingewarra Street Dubbo NSW 2830	Gosford Level 2, 237 Mann Street Gosford NSW 2250	Goulburn 39 Goldsmith Street Goulburn NSW 2580
Grafton 50 Victoria Street Grafton NSW 2460	Hurstville Level 3 4-8 Woodville Street Hurstville NSW 2220	Lismore Suite 5 17 Conway Street Lismore NSW 2480
Liverpool Shop 1R 33 Moore Street Liverpool NSW 2170	Newcastle Level 5 400 Hunter Street	Orange 184-186 Lords Place Orange NSW 2800

Newcastle NSW 2300		
Parramatta 1 Fitzwilliam Street Parramatta NSW 2150	Penrith 518 High Street Penrith NSW 2750	Port Macquarie 143 Horton Street Port Macquarie NSW 2444
Queanbeyan Shop T7 Citylink Plaza Morisset Street Queanbeyan NSW 2620	Sydney CBD McKell Building 2-24 Rawson Place Sydney NSW 2000	Tamworth Cnr Kable Ave & Darling Street Tamworth NSW 2340
Tweed Heads 43 Wharf Street Tweed Heads NSW 2485	Wagga Wagga 8 Baylis Street Wagga Wagga NSW 2650	Wollongong 63 Market Street Wollongong NSW 2500
<b>Consumer, Trader and Tenancy Tribunal</b>		
Hurstville Level 3, 4-8 Woodville St, Hurstville NSW 2220	Liverpool Level 3, 33 Moore St, Liverpool NSW 2170	Newcastle Level 1, 175 Scott St, Newcastle NSW 2300
Parramatta Level 2, 10 Valentine Ave, Parramatta NSW 2150	Penrith Level 1, 308 High St, Penrith NSW 2750	Sydney Level 12, 175 Castlereagh St, Sydney NSW 2000
Tamworth 3-5 Kable Corner Complex, Cnr Kable Ave & Darling St, Tamworth NSW 2340	Wollongong Level 3, 43 Burelli St, Wollongong NSW 2520	

## Office of Industrial Relations

Head Office		Award Enquiry Service	
Level 23 McKell Building 2-24 Rawson Place Sydney NSW 2000 Tel: 131 628 Fax: (02) 9020 4700 <a href="http://www.industrialrelations.nsw.gov.au">www.industrialrelations.nsw.gov.au</a> Business hours: 8.30am to 5.00pm		Tel: 131 628 (from anywhere in NSW) 1800 356 648 (from outside NSW) Fax: (02) 9020 4741	
Office of Industrial Relations Centres			
Sydney CBD Level 23 McKell Building 2-24 Rawson Place Sydney NSW 2000 Tel: 131 628 Fax: (02) 9020 4700		Penrith 518 High Street Penrith 2750 Tel: 131628 Fax: (02) 9020 4739	Bankstown Suite 1 Main Court Capital Centre 41-45 Rickard Rd Bankstown NSW 2200 Tel: 131 628 Fax: (02) 9782 3099
Coffs Harbour Suite 49 Jetty Village Shopping Centre Cnr Orlando and High Streets Coffs Harbour NSW 2450 Tel: 131 628 Fax: (02) 6652 2863		Newcastle Level 3 97 Scott St Newcastle NSW 2300 Tel: 131 628 Fax: (02) 4929 1180	Wollongong Level 2 Block F 84 Crown Street Wollongong NSW 2500 Tel: 131 628 Fax: (02) 4251 1888
Government & Related Employees Appeal Tribunal & Transport Appeals Board			
Level 2 1 Oxford Street Darlinghurst NSW 2010 Tel: (02) 9020 4750 Fax: (02) 9020 4790			

## Office of NSW Procurement

Client Support Centre	StateFleet	StateFleet Repairs Hotline
<p>Tel: 1800 NSW BUY (679 289)</p> <p>Email: <a href="mailto:nswbuy@commerce.nsw.gov.au">nswbuy@commerce.nsw.gov.au</a></p> <p>Fax: +612 9372 8333</p> <p>Fax: +612 9372 8687</p> <p><a href="http://www.nswbuy.com.au">www.nswbuy.com.au</a></p> <p><b>Mailing Address:</b></p> <p>Level 15 McKell Building</p> <p>2-24 Rawson Place</p> <p>Sydney NSW 2000</p>	<p>Level 12 McKell Building</p> <p>2-24 Rawson Place</p> <p>Sydney NSW 2000</p> <p>Tel: +612 9372 7740</p> <p>Fax: +612 9372 7722</p> <p><a href="http://www.statefleet.opws.nsw.gov.au">www.statefleet.opws.nsw.gov.au</a></p> <p>Business Hours: 8.30am - 5.00pm</p>	<p>Tel: 1800 801 523</p> <p>Business Hours: 8.00am – 5.30pm</p>
State Contracts Control Board	Tendering complaints	
<p>Level 15 McKell Building</p> <p>2-24 Rawson Place</p> <p>Sydney NSW 2000</p> <p>Tel: (02) 9372 8910</p> <p>Fax: (02) 9372 7533</p>	<p>Level 15 McKell Building</p> <p>2-24 Rawson Place</p> <p>Sydney NSW 2000</p> <p>Tel: (02) 9372 8910</p> <p>Fax: (02) 9372 7533</p>	

## Office of Public Works and Services

Government Architect's Office	NSW Water Solutions	Manly Hydraulics Laboratory
Level 19 McKell Building 2-24 Rawson Place Sydney NSW 2000 Tel: (02) 9372 8411 Fax: (02) 9372 8499 Business Hours: 9.00am - 5.00pm	NSW Water Solutions Level 14 McKell Building 2-24 Rawson Place Sydney NSW 2000 Tel: (02) 9372 7960 Fax: (02) 9372 7999	110b King Street Manly Vale NSW 2093 Tel: (02) 9949 0200 Fax: (02) 9948 6185
Project Management		
Business & Resource Branch	Project Services Branch	Programs Branch
Level 17 McKell Building 2-24 Rawson Place Sydney NSW 2000 Tel: (02) 9372 8671 Fax: (02) 9372 8866 Business Hours: 9:00am - 5.00pm	Level 5 234 Sussex St Sydney NSW 2000 Tel: (02) 9367 0777 Fax: (02) 9367 0728 Business Hours: 9:00am - 5.00pm	Level 20 McKell Building 2-24 Rawson Place Sydney NSW 2000 Tel: (02) 9372 8560 Fax: (02) 9372 8566 Business Hours: 9:00am - 5.00pm
Heritage & Building Services Group	Essential Repairs and Services	Heritage Services (Stoneyard)
Level 4 2 Burbank Place Baulkham Hills NSW 2153 Tel: (02) 9852 0064 Fax: (02) 98520091 Postal Address PO Box 8320 Baulkham Hills BC, NSW 2153 Business Hours: 8:30am - 5.00pm	Level 4 2 Burbank Place Baulkham Hills NSW 2153 Tel: 1800 422 110 (24 Hour Service) Tel: (02) 98520000 Fax: (02) 98520011	92 Burrows Road Alexandria NSW 2015 Tel: (02) 9565 9000 Fax: (02) 9516 2919 Business Hours: 9:00am - 5.00pm

**Project Management regional offices**

**Sydney**

Regional Office	Hornsby
Level 5	16-20 Edgeworth David Avenue
2 Burbank Place	Hornsby NSW 2077
Baulkham Hills NSW 2153	Tel: (02) 9472 7900
Tel: (02) 9852 0275	Fax: (02) 9477 3356
Fax: (02) 9852 0266	Business Hours: 8:30am - 4.30pm
<b>Postal Address</b>	
PO Box 8320	
Baulkham Hills BC, NSW 2153	
Business Hours: 8.30am - 5.00pm	

**Hunter/New England**

Regional Office	Tamworth
117 Bull Street	454-456 Peel Street
Newcastle West NSW 2309	Tamworth NSW 2340
Tel: (02) 4908 4999	Tel: (02) 6768 4222
Fax: (02) 4908 4954	Fax: (02) 6768 4233
Business Hours: 8.30am - 4.30pm	Business Hours: 8.30am - 5.00pm

**North Coast**

Regional Office	Coffs Harbour	Port Macquarie
120 Dalley Street	359 Harbour Drive	Maher Street
Lismore NSW 2480	Coffs Harbour NSW 2450	Port Macquarie NSW 2444
Tel: (02) 6626 5600	Tel: (02) 6648 5911	Tel: (02) 6586 7800
Fax: (02) 6626 5666	Fax: (02) 6648 5905	Fax: (02) 6586 7811
Business Hours: 8.30am – 5.00pm	Business Hours: 8.30am – 5.00pm	Business Hours: 8.30am – 5.00pm

**Taree**

Shop 17 Valley Fair Centre
112 Victoria Street
Taree NSW 2430
Tel: (02) 6592 6755
Fax: (02) 6592 6767
Business Hours: 8:30am-4:30pm



### Riverina/Western

140 William Street Bathurst NSW 2309 Tel: (02) 4908 4999 Fax: (02) 4908 4954 Business Hours: 9.00am – 4.30pm	Dubbo 34 White Street Dubbo NSW 2830 Tel: (02) 6885 9333 Fax: (02) 6885 9300 Business Hours: 9:00am – 5:00pm	Hay 414 Moppett Street Hay NSW 2711 Tel: (02) 6993 1208 Fax: (02) 6993 2137 Business Hours: 8:30am - 4.30pm
--------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------

Broken Hill Sulphide Street Broken Hill NSW 2880 Tel: (08) 8087 9366 Fax: (08) 8087 9365 Business Hours: 8.00am - 4.30pm	Wagga Wagga 2-6 Coleman Street Wagga Wagga NSW 2650 Tel: (02) 6938 2880 Fax: (02) 6925 2087 Business Hours: 8:30am- 5:00pm
-----------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------

### South Coast

Regional Office Block E Level 3 84 Crown Street Wollongong NSW 2500 Tel: (02) 4226 8500 Fax: (02) 4226 8534 Business Hours: 9:00am - 5.00pm	Goulburn Level 1 RTA Building 211 Bourke Street Goulburn NSW 2580 Tel: (02) 4822 2311 Fax: (02) 4822 2315 Business Hours: 7.30am - 4.00pm	Moruya 66 Campbell Street Moruya NSW 2537 Tel: (02) 4474 7555 Fax: (02) 4474 7544 Business Hours: 8:00am - 4.30pm
---------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------

## Strategic Communications and Government Advertising

### Communications and Advertising

Level 9 McKell Building 2-24 Rawson Place Sydney NSW 2000 Tel: (02) 9372 8959 Fax: (02) 9372 7422 <a href="http://www.advertising.nswp.commerce.nsw.gov.au">www.advertising.nswp.commerce.nsw.gov.au</a>	<b>Advertising</b> Tel: (02) 9372 7603 <b>Government Gazette</b> Tel: (02) 9372 7407 <b>Public Sector Notices</b> Tel: (02) 9372 7412	<b>Jobs.nsw</b> Tel: (02) 9372 7435 <a href="http://jobs.nsw.gov.au">http://jobs.nsw.gov.au</a>
-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------